

Geminal Publications

**Communist Party of China
Communist Party of Peru
On Bureaucrat-Capitalism**

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Chairman Mao on Study

Although we are studying Marxism, the way many of our people study it runs directly counter to Marxism. That is to say, they violate the fundamental principle earnestly enjoined on us by Marx, Engels, Lenin and Stalin, the unity of theory and practice. Having violated this principle, they invent an opposite principle of their own, the separation of theory from practice. In the schools and in the education of cadres at work, teachers of philosophy do not guide students to study the logic of the Chinese revolution; teachers of economics do not guide them to study the characteristics of the Chinese economy; teachers of political science do not guide them to study the tactics of the Chinese revolution; teachers of military science do not guide them to study the strategy and tactics adapted to China's special features; and so on and so forth. Consequently, error is disseminated, doing people great harm. A person does not know how to apply in Fuhsien¹ what he has learned in Yen-an. Professors of economics cannot explain the relationship between the Border Region currency and the Kuomintang currency,² so naturally the students cannot explain it either. Thus a perverse mentality has been created among many students; instead of showing an interest in China's problems and taking the Party's directives seriously, they give all their hearts to the supposedly eternal and immutable dogmas learned from their teachers.

¹ Fuhsien County is about seventy kilometres south of Yen-an.

² The Border Region currency consisted of the currency notes issued by the Bank of the Shensi-Kansu-Ningsia Border Region Government. The Kuomintang currency was the paper currency issued by the four big Kuomintang bureaucrat-capitalist banks from 1935 onwards with British and U.S. imperialist support. Comrade Mao Tse-tung was referring to the fluctuations in the rates of exchange between these two currencies.

Introduction to Part I

The land tenure system determines the political and administrative system of the nation. The agrarian problem, which the republic has not yet been able to solve, dominates all other problems. Democratic and liberal institutions cannot flourish or operate in a semi-feudal economy.

José Carlos Mariátegui

Imperialism "first allies itself with the ruling strata of the previous social structure, with the feudal lords and the trading and money-lending bourgeoisie, against the majority of the people. Everywhere imperialism attempts to preserve and to perpetuate all those pre-capitalist forms of exploitation (especially in the villages) which serve as the basis for the existence of its reactionary allies". "Imperialism, with all its financial and military might, is the force in China that supports, inspires, fosters and preserves the feudal survivals, together with their entire bureaucratic-militarist superstructure."

Chairman Mao

Both students and intellectuals should study hard. In addition to the study of their specialized subjects, they must make progress ideologically and politically, which means they should study Marxism, current events and politics. Not to have a correct political orientation is like not having a soul.

Chairman Mao

This year we are resuming the study of the historical category of bureaucrat-capitalism for a greater and better understanding of the development process of our societies. Concept that has been worked from our luminaries of Marxism

Marx, Engels, Lenin, Chairman Mao and in the last 50 years by Dr. Abimael Guzman of the Communist Party of Peru.

The thesis of bureaucrat-capitalism comes from the synthesis made by Chairman Mao of the theory of Marx and Lenin, the same that can and should be applied in all countries where the bourgeois revolution did not triumph.

In this opportunity we have compiled extracts of notes elaborated by Chairman Mao and found in his extensive work, where he deals with bureaucratic capitalism.

We hope it can be useful and theoretical tool for the study and creative application in our concrete reality: Bolivia.

Center For Popular Studies
Bolivia, May 2008

Part I: Chairman Mao on Bureaucrat-Capitalism

Persisting in its dictatorial rule, the chief ruling clique of the Kuomintang has followed a policy of passive resistance to Japan and a domestic policy directed against the people. In consequence, its armed forces have shrunk to less than half their original size and most of them have virtually lost their combat effectiveness; there is a profound rift between this clique and the broad masses and a grave crisis of mass impoverishment, seething discontent and widespread revolt; not only has its role in the war been sharply reduced, but it has also become an obstacle to the mobilization and unity of all the anti-Japanese forces of the Chinese people.

Why has such a grave situation arisen under the leadership of the Kuomintang's chief ruling clique? It has arisen because that clique represents the interests of China's big landlords, big bankers and big compradors. The handful of people forming this reactionary stratum monopolize all the important military, political, economic and cultural organizations under the Kuomintang government. They place the safeguarding of their own interests above resistance to Japan. They too say "the nation above all", but their actions do not accord with the demands of the great majority of the nation. They too say "the state above all", but what they mean is the feudal-fascist dictatorship of the big landlords, big bankers and big compradors, and not a democratic state of the people. Therefore they are afraid of the rise of the people, afraid of the democratic movement and afraid of full mass mobilization for war against Japan. Herein lies the root cause of their policy of passive resistance to Japan and their reactionary domestic policy against the people, democracy and the Communist Party. They have a double-faced policy in everything.

For instance, on the one hand they are resisting Japan but on the other they are pursuing a passive war policy, and moreover they are the constant target of Japanese inducements to surrender. They talk about developing China's economy, but in fact they build up their own bureaucrat-capital, i.e., the capital of the big landlords, bankers and compradors, and monopolize the lifelines of China's economy, ruthlessly oppressing the peasants, the workers, the petty bourgeoisie and the non-monopoly bourgeoisie.

On Coalition Government

April 24, 1945

On December 1, 1958, at a meeting of the Political Bureau of the Central Committee of the Communist Party of China held at Wuchang, Comrade Mao Tse-tung stated:

Just as there is not a single thing in the world without a dual nature (this is the law of the unity of opposites), so imperialism and all reactionaries have a dual nature -- they are real tigers and paper tigers at the same time. In past history, before they won state power and for some time afterwards, the slave-owning class, the feudal landlord class and the bourgeoisie were vigorous, revolutionary and progressive; they were real tigers. But with the lapse of time, because their opposites -- the slave class, the peasant class and the proletariat -- grew in strength step by step, struggled against them and became more and more formidable, these ruling classes changed step by step into the reverse, changed into reactionaries, changed into backward people, changed into paper tigers. And eventually they were overthrown, or will be overthrown, by the people. The reactionary, backward, decaying classes retained this dual nature even

in their last life-and-death struggles against the people. On the one hand, they were real tigers; they ate people, ate people by the millions and tens of millions. The cause of the people's struggle went through a period of difficulties and hardships, and along the path there were many twists and turns. To destroy the rule of imperialism, feudalism and bureaucrat-capitalism in China took the Chinese people more than a hundred years and cost them tens of millions of lives before the victory in 1949. Look! Were these not living tigers, iron tigers, real tigers? But in the end they changed into paper tigers, dead tigers, bean-curd tigers. These are historical facts. Have people not seen or heard about these facts? There have indeed been thousands and tens of thousands of them! Thousands and tens of thousands! Hence, imperialism and all reactionaries, looked at in essence, from a long-term point of view, from a strategic point of view, must be seen for what they are - paper tigers. On this we should build our strategic thinking. On the other hand, they are also living tigers, iron tigers, real tigers which can eat people. On this we should build our tactical thinking.

Talk with the American Correspondent Anna Louise Strong
August 1946

The section on "Economic and Financial Affairs" provided that "the development of bureaucrat-capital shall be curbed and government officials strictly forbidden to make use of their official position and influence to engage in speculation, monopoly, tax evasion, smuggling, embezzlement of public funds and unlawful use of the means of transport"; that "rents and rates of interest shall be reduced, the rights of lessees protected, the payment of farm rents ensured,

agricultural credits expanded, usury strictly prohibited in order to better the life of the peasants and an agrarian law to attain the objective of 'land to the tillers' shall be put into effect"; that "labour laws shall be put into effect to improve working conditions"; that "the administration of finance shall be made public, the budget system and the system of financial reports strictly adhered to, budget expenditures drastically reduced, revenues and expenditures balanced, central and local government finances defined, the currency in circulation contracted and the monetary system stabilized and the raising of both domestic and foreign loans and their uses made public and subject to supervision by public bodies"; and that "the system of taxation shall be reformed and all exorbitant and miscellaneous levies and illegal exactions completely abolished".

Notes from *Smash Chiang Kai-shek's Offensive by a War of Self-Defense*
July 20, 1946

7. Because the Chiang Kai-shek government has pursued reactionary financial and economic policies for a long time and because Chiang Kai-shek's bureaucrat-comprador capital [5] has become linked with U.S. imperialist capital through the notorious and treasonable Sino-U.S. Treaty of Commerce,[6] malignant inflation has swiftly developed; the industry and commerce of China's national bourgeoisie are daily going bankrupt; the livelihood of the working masses, government employees and teachers is deteriorating every day; large numbers of middle class elements are losing their savings and becoming penniless; and therefore strikes of workers and students and other struggles are constantly occurring. An economic crisis more serious than China has ever faced before is threatening all strata of the people.

In order to carry on the civil war, Chiang Kai-shek has restored the extremely vicious system of conscription and grain levies of the period of the War of Resistance; this makes life impossible for the vast rural population, particularly the poverty-stricken peasants; as a result, peasant revolts have already started and will continue to spread. Hence, the reactionary Chiang Kai-shek ruling clique will become more and more discredited in the eyes of the broad masses of the people and be confronted with serious political and military crises. On the one hand, this situation is daily pushing forward the people's anti-imperialist, anti-feudal movement in the areas under Chiang Kai-shek's control; on the other hand, it is further demoralizing Chiang's troops and increasing the possibility of victory by the People's Liberation Army.

5. See "The Present Situation and Our Tasks", Section 6, pp. 167-69 of this volume.

6. The "Sino-U.S. Treaty of Commerce" or "Sino-U.S. Treaty of Friendship, Commerce and Navigation" was concluded between the Chiang Kai-shek government and the U.S. government on November 4, 1946, in Nanking. This treaty, which sold out a large part of China's sovereignty to the United States, contains thirty articles, the main contents of which are as follows:

(1) U.S. nationals shall enjoy in "the whole extent of . . . the territories" of China the rights to reside, travel, carry on commercial, manufacturing, processing, scientific, educational, religious and philanthropic activities, explore and exploit mineral resources, lease and hold land, and follow various occupations and pursuits. In regard to economic rights U.S. nationals in China shall be accorded the same treatment as Chinese.

(2) In respect of taxation, sale, distribution and use in China, U.S. commodities shall be accorded treatment no less favourable than that accorded to the commodities of any third country or to Chinese commodities. "No prohibition or restriction shall be imposed" by China on the importation from the United States of any article grown, produced or manufactured in the United States, or on the exportation to the United States of any Chinese article.

(3) U.S. vessels shall have the freedom of sailing in any of the ports, places or waters in China which are open to foreign commerce or navigation, and their personnel and freight shall have freedom of transit through Chinese territory “by the routes most convenient”. On the pretext of “any . . . distress”, U.S. vessels including warships, can sail into “any of the ports, places or waters” of China which are “not open to foreign commerce or navigation”.

Wellington Koo, then Chiang Kai-shek’s ambassador to the United States, openly and shamelessly stated that this treaty meant “the opening of the entire territory of China to U.S. merchants”.

Greet the New High Tide of the Chinese Revolution
February 1, 1947

We are the army of the Chinese people and in all things we take the will of the Chinese people as our will. The policies of our army represent the urgent demands of the Chinese people and chief among them are the following:

[...]

(5) Confiscate the property of the four big families[9] of Chiang Kai-shek, T. V. Soong, H. H. Kung and the Chen Li-fu brothers, and the property of the other chief war criminals; confiscate bureaucrat-capital, develop the industry and commerce of the national bourgeoisie, improve the livelihood of workers and employees, and give relief to victims of natural calamities and to poverty-stricken people.

9. This refers to the four big monopoly capitalist groups of Chiang Kai-shek, T. V. Soong, H. H. Kung and Chen Li-fu. See “The Present Situation and Our Tasks”, Section 6, pp. 167-69 of this volume.

Manifesto of the Chinese People’s Liberation Army
October 1947

Confiscate the land of the feudal class and turn it over to the peasants. Confiscate monopoly capital, headed by Chiang Kai-shek, T. V. Soong, H. H. Kung and Chen Li-fu, and turn it over to the new-democratic state. Protect the industry and commerce of the national bourgeoisie. These are the three major economic policies of the new-democratic revolution. During their twenty-year rule, the four big families, Chiang, Soong, Kung and Chen, have piled up enormous fortunes valued at ten to twenty thousand million U.S. dollars and monopolized the economic lifelines of the whole country. This monopoly capital, combined with state power, has become state-monopoly capitalism. This monopoly capitalism, closely tied up with foreign imperialism, the domestic landlord class and the old-type rich peasants, has become comprador, feudal, state-monopoly capitalism. Such is the economic base of Chiang Kai-shek's reactionary regime. This state-monopoly capitalism oppresses not only the workers and peasants but also the urban petty bourgeoisie, and it injures the middle bourgeoisie. This state-monopoly capitalism reached the peak of its development during the War of Resistance and after the Japanese surrender; it has prepared ample material conditions for the new-democratic revolution. This capital is popularly known in China as bureaucrat-capital. This capitalist class, known as the bureaucrat-capitalist class, is the big bourgeoisie of China. Besides doing away with the special privileges of imperialism in China, the task of the new-democratic revolution at home is to abolish exploitation and oppression by the landlord class and by the bureaucrat-capitalist class (the big bourgeoisie), change the comprador, feudal relations of production and unfetter the productive forces. The upper petty bourgeoisie and middle bourgeoisie, oppressed and injured by the landlords and big bourgeoisie and their state power, may take part in the new-democratic revolution or stay neutral, though they are themselves bourgeois. They have no ties, or comparatively few, with imperialism and are the genuine national bourgeoisie. Wherever the state power

of New Democracy extends, it must firmly and unhesitatingly protect them. In Chiang Kai-shek's areas, there are a small number of people among the upper petty bourgeoisie and the middle bourgeoisie, the right wing of these classes, who have reactionary political tendencies, spread illusions about U.S. imperialism and the reactionary Chiang Kai-shek clique and oppose the people's democratic revolution. As long as their reactionary tendencies can affect the masses, we should unmask them before the people under their political influence, attack this influence and liberate the masses from it. But political attack and economic annihilation are two different matters, and we shall make mistakes if we confuse the two. The new-democratic revolution aims at wiping out only feudalism and monopoly capitalism, only the landlord class and the bureaucrat-capitalist class (the big bourgeoisie), and not at wiping out capitalism in general, the upper petty bourgeoisie or the middle bourgeoisie. In view of China's economic backwardness, even after the country-wide victory of the revolution, it will still be necessary to permit the existence for a long time of a capitalist sector of the economy represented by the extensive upper petty bourgeoisie and middle bourgeoisie. In accordance with the division of labour in the national economy, a certain development of all parts of this capitalist sector which are beneficial to the national economy will still be needed. This capitalist sector will still be an indispensable part of the whole national economy. The upper petty bourgeoisie referred to here are small industrialists and merchants employing workers or assistants. In addition, there are also great numbers of small independent craftsmen and traders who employ no workers or assistants and, needless to say, they should be firmly protected. After the victory of the revolution all over the country, the new-democratic state will possess huge state enterprises taken over from the bureaucrat-capitalist class and controlling the economic lifelines of the country, and there will be an agricultural economy liberated from feudalism which, though it will remain basically scattered and

individual for a fairly long time, can later be led to develop, step by step, in the direction of co-operatives. In these circumstances the existence and development of these small and middle capitalist sectors will present no danger. The same is true of the new rich peasant economy which will inevitably emerge in the rural areas after the land reform. It is absolutely impermissible to repeat such wrong ultra-Left policies towards the upper petty bourgeois and middle bourgeois sectors in the economy as our Party adopted during 1931-34 (unduly advanced labour conditions, excessive income tax rates, encroachment on the interests of industrialists and merchants during the land reform, and the adoption as a goal of the so-called "workers' welfare", which was a short-sighted and one-sided concept, instead of the goal of developing production, promoting economic prosperity, giving consideration to both public and private interests and benefiting both labour and capital). To repeat such mistakes would certainly damage the interests both of the working masses and of the new-democratic state. One of the provisions in the Outline Land Law of China reads, "The property and lawful business of industrialists and merchants shall be protected from encroachment." "Industrialists and merchants" refers to all small independent craftsmen and traders as well as all small and middle capitalist elements. To sum up, the economic structure of New China will consist of: (1) the state-owned economy, which is the leading sector; (2) the agricultural economy, developing step by step from individual to collective; and (3) the economy of small independent craftsmen and traders and the economy of small and middle private capital. These constitute the whole of the new-democratic national economy. The principles guiding the new-democratic national economy must closely conform to the general objective of developing production, promoting economic prosperity, giving consideration to both public and private interests and benefiting both labour and capital. Any principle, policy or measure that deviates from this general objective is wrong.

The Present Situation and Our Tasks
December 25, 1947

Oppose overestimation of the enemy's strength. For example: fear of U.S. imperialism; fear of carrying the battle into the Kuomintang areas; fear of wiping out the comprador-feudal system, of distributing the land of the landlords and of confiscating bureaucrat-capital; fear of a long-drawn-out war; and so on. All these are incorrect. Imperialism throughout the world and the rule of the reactionary Chiang Kai-shek clique in China are already rotten and have no future. We have reason to despise them and we are confident and certain that we shall defeat all the domestic and foreign enemies of the Chinese people. But with regard to each part, each specific struggle (military, political, economic or ideological), we must never take the enemy lightly; on the contrary, we should take the enemy seriously and concentrate all our strength for battle in order to win victory. While we correctly point out that, strategically, with regard to the whole, we should take the enemy lightly, we must never take the enemy lightly in any part, in any specific struggle. If, with regard to the whole, we overestimate the strength of our enemy and hence do not dare to overthrow him and do not dare to win victory, we shall be committing a Right opportunist error. If, with regard to each part, each specific problem, we are not prudent, do not carefully study and perfect the art of struggle, do not concentrate all our strength for battle and do not pay attention to winning over all the allies that should be won over (middle peasants, small independent craftsmen and traders, the middle bourgeoisie, students, teachers, professors and ordinary intellectuals, ordinary government employees, professionals and enlightened gentry), we shall be committing a "Left" opportunist error.

[...]

3. We must avoid adopting any adventurist policies towards middle and small industrialists and merchants. The policy, adopted in the past in the Liberated Areas, of protecting and encouraging the development of all private industry and commerce beneficial to the national economy was correct and should be continued in the future. The policy of encouraging landlords and rich peasants to switch to industry and commerce, adopted during the period of rent and interest reduction, was also correct; it is wrong to regard such switching as a “disguise” and therefore to oppose it and confiscate and distribute the property so switched. The industrial and commercial holdings of landlords and rich peasants should in general be protected; the only industrial and commercial holdings that may be confiscated are those of bureaucrat-capitalists and of real counter-revolutionary local tyrants. Among the industrial and commercial enterprises which should be confiscated, those beneficial to the national economy must continue to operate after they have been taken over by the state and the people and must not be allowed to break up or close down. The transactions tax on the industry and commerce which are beneficial to the national economy should be levied only to the extent that it does not hamper their development. In each public enterprise, the administration and the trade union must set up a joint management committee to strengthen the work of management in order to reduce costs, increase output and see that both public and individual interests are benefited. Private capitalist enterprises should also try out this method in order to reduce costs, increase output and benefit both labour and capital. The workers’ livelihood must be appropriately improved, but unduly high wages and benefits must be avoided.

On Some Important Problems of the Party’s Present Policy
January 18, 1948

1. They did not propagate the line of relying on the poor peasants and farm labourers and firmly uniting with the middle peasants in order to abolish the feudal system, but one-sidedly propagated a poor peasant-farm labourer line. They did not propagate the view that the proletariat should unite with all working people and others who are oppressed, the national bourgeoisie, the intellectuals and other patriots (including the enlightened gentry who do not oppose land reform) in order to overthrow the rule of imperialism, feudalism and bureaucrat-capitalism and establish a People's Republic of China and a people's democratic government, but one-sidedly propagated the view that the poor peasants and farm labourers conquer the country and should rule the country, or that the democratic government should be a government of the peasants only, or that the democratic government should listen only to the workers, poor peasants and farm labourers, while no mention at all was made of the middle peasants, the independent craftsmen, the national bourgeoisie and the intellectuals. This is a serious error of principle. Yet reports of this kind have been circulated by our news agency, newspapers and radio stations. And the propaganda departments of the Party committees in various places have failed to report these errors to the higher levels. In the past few months such propaganda, though not widespread, has been fairly frequent and has created an atmosphere in which people have been misled into believing that it might represent the correct leading ideas. Because the Northern Shensi Radio Station broadcast some incorrect items, people even mistakenly believed that these were views approved by the Central Committee.

Combat the "Left" Errors in Land Reform Propaganda
February 18, 1948

The spokesman said: It is not only in the Northwest that this new type of ideological education movement in the army has been carried out; it has been, or is being, carried on in the People's Liberation Army throughout the country. Conducted between battles, the movement does not interfere with fighting. Taking in conjunction with the movement for Party consolidation and the land reform movement now being correctly carried out by our Party, taking in co-ordination with our Party's correct policy of narrowing the scope of attack by opposing only imperialism, feudalism and bureaucrat-capitalism, by strictly forbidding beating and killing without discrimination (the fewer killings, the better) and by firmly uniting the masses of the people who make up over 90 per cent of the country's population, and taking in co-ordination with the application of our Party's correct urban policy and its policy of firmly protecting and developing the industry and commerce of the national bourgeoisie, this ideological education movement is bound to make the People's Liberation Army invincible.

*On the Great Victory in the Northwest and on the New Type of
Ideological Education Movement in the Liberation Army*
March 7, 1948

The Chinese revolution at the present stage is in its character a revolution against imperialism, feudalism and bureaucrat-capitalism waged by the broad masses of the people under the leadership of the proletariat. By the broad masses of the people is meant all those who are oppressed, injured or fettered by imperialism, feudalism and bureaucrat-capitalism, namely, workers, peasants, soldiers, intellectuals, businessmen and other patriots, as clearly stated in the Manifesto of the Chinese People's Liberation Army of October 1947.[1] In the manifesto "intellectuals" means all intellectuals who are persecuted and fettered. "Businessmen" means all the

national bourgeois who are persecuted and fettered, that is, the middle and petty bourgeois. "Other patriots" refers primarily to the enlightened gentry. The Chinese revolution at the present stage is a revolution in which all these people form a united front against imperialism, feudalism and bureaucrat-capitalism and in which the working people are the main body. By working people are meant all those engaged in manual labour (such as workers, peasants, handicraftsmen, etc.) as well as those engaged in mental labour who are close to those engaged in manual labour and are not exploiters but are exploited. The aim of the Chinese revolution at the present stage is to overthrow the rule of imperialism, feudalism and bureaucrat-capitalism and to establish a new-democratic republic of the broad masses of the people with the working people as the main force; its aim is not to abolish capitalism in general.

We should not abandon the enlightened gentry who co-operated with us in the past and continue to co-operate with us at present, who approve of the struggle against the United States and Chiang Kai-shek and who approve of the land reform. Take, for instance, people like Liu Shao-pai of the Shansi-Suiyuan Border Region and Li Ting-ming of the Shensi-Kansu-Ningsia Border Region.[2] Since they gave us considerable help in the hard times during and after the War of Resistance Against Japan and did not obstruct or oppose the land reform when we were carrying it out, we should continue the policy of uniting with them. But uniting with them does not mean treating them as a force that determines the character of the Chinese revolution. The forces that determine the character of a revolution are the chief enemies on the one side and the chief revolutionaries on the other. At present our chief enemies are imperialism, feudalism and bureaucrat-capitalism, while the main forces in our struggle against these enemies are the people engaged in manual and mental labour, who make up 90 per cent of the country's population. And this determines that our revolution at the

present stage is a new-democratic, a people's democratic revolution in character and is different from a socialist revolution such as the October Revolution.

The few right-wingers among the national bourgeoisie who attach themselves to imperialism, feudalism and bureaucrat-capitalism and oppose the people's democratic revolution are also enemies of the revolution, while the left-wingers among the national bourgeoisie who attach themselves to the working people and oppose the reactionaries are also revolutionaries, as are the few enlightened gentry who have broken away from the feudal class. But the former are not the main body of the enemy any more than the latter are the main body among the revolutionaries; neither is a force that determines the character of the revolution. The national bourgeoisie is a class which is politically very weak and vacillating. But the majority of its members may either join the people's democratic revolution or take a neutral stand, because they too are persecuted and fettered by imperialism, feudalism and bureaucrat-capitalism. They are part of the broad masses of the people but not the main body, nor are they a force that determines the character of the revolution. However, because they are important economically and may either join in the struggle against the United States and Chiang Kai-shek or remain neutral in that struggle, it is possible and necessary for us to unite with them.

[...]

The enlightened gentry are individual landlords and rich peasants with democratic leanings. Such people have contradictions with bureaucrat-capitalism and imperialism and to a certain extent also with the feudal landlords and rich peasants. We unite with them not because they are a political force to be reckoned with nor because they are of any economic importance (their feudal landholdings should be handed over with their consent to the peasants for distribution) but because they gave us considerable help politically during the

War of Resistance and during the struggle against the United States and Chiang Kai-shek.

On the Question of the National Bourgeoisie and the Enlightened Gentry

March 1, 1948

2. Set a clear line of demarcation in defining bureaucrat-capital; do not designate as bureaucrat-capital and do not confiscate all the industrial and commercial enterprises run by Kuomintang members. The principle should be laid down that the democratic government should take over and operate all industrial and commercial enterprises which are definitely verified as having been run by the Kuomintang's central, provincial, county or municipal governments, that is, enterprises operated wholly by official bodies. But if, for the time being, the democratic government is not yet ready to take them over or is unable to do so, the individuals previously in charge should be temporarily entrusted with the responsibility of management so that these enterprises can function as usual until the democratic government appoints people to take over. The workers and technicians in these industrial and commercial enterprises should be organized to participate in management, and their competence should be trusted. If the Kuomintang personnel have fled and the enterprise has suspended operations, a management committee of representatives elected by the workers and technicians should be set up, pending the appointment by the democratic government of managers and directors who will manage it together with the workers. Enterprises run by notorious big bureaucrats of the Kuomintang should be dealt with in conformity with the principles and measures stated above. Industrial and commercial enterprises run by small bureaucrats or by landlords, however, are not subject to confiscation. Encroachment on

any enterprise run by the national bourgeoisie is strictly prohibited.

Telegram to the Headquarters of the Loyang Front After the Recapture of the City
April 8, 1948

The question now facing the Chinese people, all democratic parties and all people's organizations is whether to carry the revolution through to the end or to abandon it half-way. If the revolution is to be carried through to the end, we must use the revolutionary method to wipe out all the forces of reaction resolutely, thoroughly, wholly and completely; we must unswervingly persist in overthrowing imperialism, feudalism and bureaucrat-capitalism; and we must overthrow the reactionary rule of the Kuomintang on a country-wide scale and set up a republic that is a people's democratic dictatorship under the leadership of the proletariat and with the worker-peasant alliance as its main body. In this way, the Chinese nation will completely throw off the oppressor; the country will be transformed from a semi-colony into a genuinely independent state; the Chinese people will be fully emancipated, overthrowing once and for all both feudal oppression and oppression by bureaucrat-capital (Chinese monopoly capital) and will thus achieve unity, democracy and peace, create the prerequisites for transforming China from an agricultural into an industrial country and make it possible for her to develop from a society with exploitation of man by man into a socialist society. If the revolution is abandoned half-way, it will mean going against the will of the people, bowing to the will of the foreign aggressors and Chinese reactionaries and giving the Kuomintang a chance to heal its wounds, so that one day it may pounce suddenly to strangle the revolution and again plunge the whole country into darkness. That is how clearly and sharply the question is now

posed. Which of these two roads to choose? Every democratic party, every people's organization in China must consider this question, must choose its road and clarify its stand. Whether China's democratic parties and people's organizations can sincerely co-operate without parting company half-way depends on whether they are agreed on this question and take unanimous action to overthrow the common enemy of the Chinese people. What is needed here is unanimity and co-operation, not the setting up of any "opposition faction" or the pursuit of any "middle road".[4]

[...]

The Chinese people will never take pity on snake-like scoundrels, and they honestly believe that no one is their true friend who guilefully says that pity should be shown these scoundrels and says that anything else would be out of keeping with China's traditions, fall short of greatness, etc. Why should one take pity on snake-like scoundrels? What worker, what peasant, what soldier, says that such scoundrels should be pitied? True, there are "Kuomintang liberals" or non-Kuomintang "liberals" who advise the Chinese people to accept the "peace" offered by the United States and the Kuomintang, that is, to enshrine and worship the remnants of imperialism, feudalism and bureaucrat-capitalism so that these treasures shall not become extinct on earth. But they are decidedly not workers, peasants or soldiers, nor are they the friends of workers, peasants and soldiers.

4. The "middle road" was also called the "third road". See "The Present Situation and Our Tasks", Note 9, p. 176 of this volume.

Carry the Revolution Through to the End
December 30, 1948

3. China's modern industry, though the value of its output amounts to only about 10 per cent of the total value of output

of the national economy, is extremely concentrated; the largest and most important part of the capital is concentrated in the hands of the imperialists and their lackeys, the Chinese bureaucrat-capitalists. The confiscation of this capital and its transfer to the people's republic led by the proletariat will enable the people's republic to control the economic lifelines of the country and will enable the state-owned economy to become the leading sector of the entire national economy. This sector of the economy is socialist, not capitalist, in character. Whoever overlooks or belittles this point will commit Right opportunist mistakes.

4. China's private capitalist industry, which occupies second place in her modern industry, is a force which must not be ignored. Because they have been oppressed or hemmed in by imperialism, feudalism and bureaucrat-capitalism, the national bourgeoisie of China and its representatives have often taken part in the people's democratic revolutionary struggles or maintained a neutral stand. For this reason and because China's economy is still backward, there will be need, for a fairly long period after the victory of the revolution, to make use of the positive qualities of urban and rural private capitalism as far as possible, in the interest of developing the national economy. In this period, all capitalist elements in the cities and countryside which are not harmful but beneficial to the national economy should be allowed to exist and expand. This is not only unavoidable but also economically necessary. But the existence and expansion of capitalism in China will not be unrestricted and uncurbed as in the capitalist countries. It will be restricted from several directions -- in the scope of its operation and by tax policy, market prices and labour conditions. We shall adopt well-measured and flexible policies for restricting capitalism from several directions according to the specific conditions in each place, each industry and each period. It is necessary and useful for us to apply Sun Yat-sen's slogan of "regulation of capital".[2] However, in the interest of the whole national economy and in the present and future

interest of the working class and all the labouring people, we must not restrict the private capitalist economy too much or too rigidly, but must leave room for it to exist and develop within the framework of the economic policy and planning of the people's republic. The policy of restricting private capitalism is bound to meet with resistance in varying degrees and forms from the bourgeoisie, especially from the big owners of private enterprises, that is, from the big capitalists. Restriction versus opposition to restriction will be the main form of class struggle in the new-democratic state. It is entirely wrong to think that at present we need not restrict capitalism and can discard the slogan of "regulation of capital"; that is a Right opportunist view. But the opposite view, which advocates too much or too rigid restriction of private capital or holds that we can simply eliminate private capital very quickly, is also entirely wrong; this is a "Left" opportunist or adventurist view.

[...]

6. The restoration and development of the national economy of the people's republic would be impossible without a policy of controlling foreign trade. When imperialism, feudalism, bureaucrat-capitalism and the concentrated expression of all three, the Kuomintang regime, have been eliminated in China, the problem of establishing an independent and integrated industrial system will remain unsolved and it will be finally solved only when our country has greatly developed economically and changed from a backward agricultural into an advanced industrial country. It will be impossible to achieve this aim without controlling foreign trade. After the country-wide victory of the Chinese revolution and the solution of the land problem, two basic contradictions will still exist in China. The first is internal, that is, the contradiction between the working class and the bourgeoisie. The second is external, that is, the contradiction between China and the imperialist countries. Consequently, after the victory of the people's democratic revolution, the state power of the

people's republic under the leadership of the working class must not be weakened but must be strengthened. The two basic policies of the state in the economic struggle will be regulation of capital at home and control of foreign trade. Whoever overlooks or belittles this point will commit extremely serious mistakes.

2. "Regulation of capital" was one of Sun Yat-sen's well-known slogans. The Manifesto of the Kuomintang's First National Congress, in which the Kuomintang and the Communist Party co-operated, was published on January 23, 1924 and gave the following interpretation to this slogan: "Private industries, whether of Chinese or of foreign nationals, which are either of a monopolistic nature or are beyond the capacity of private individuals to develop, such as banking, railways, and navigation, shall be undertaken by the state, so that privately owned capital shall not control the economic life of the people."

Report to the Second Plenary Session of the Seventh Central Committee of the Communist Party of China
March 5, 1949

In this situation, all comrades must firmly grasp the general line of the Party, that is, the line of the new-democratic revolution. The new-democratic revolution is not any other revolution, but can only be and must be a revolution against imperialism, feudalism and bureaucrat-capitalism waged by the broad masses of the people under the leadership of the proletariat. This means that leadership in this revolution can and must be assumed by no class and party other than the proletariat and the Communist Party of China. This means that the united front of those joining this revolution is very broad, embracing the workers, peasants, independent craftsmen, professionals, intellectuals, the national bourgeoisie and the section of the enlightened gentry which has broken away from the landlord class. All these are what we refer to as the

broad masses of the people. The state and the government to be founded by the broad masses of the people will be the People's Republic of China and the democratic coalition government of the alliance of all democratic classes under the leadership of the proletariat. The enemies to be overthrown in this revolution can only be and must be imperialism, feudalism and bureaucrat-capitalism. The concentrated expression of all these enemies is the reactionary regime of Chiang Kai-shek's Kuomintang.

Feudalism is the ally of imperialism and bureaucrat-capitalism and the foundation of their rule. Therefore, the reform of the land system is the main content of China's new-democratic revolution. The general line in the land reform is to rely on the poor peasants, unite with the middle peasants, abolish the system of feudal exploitation step by step and in a discriminating way, and develop agricultural production. The basic force to be relied upon in the land reform can only be and must be the poor peasants. Together with the farm labourers, they make up about 70 per cent of China's rural population. The main and immediate task of the land reform is to satisfy the demands of the masses of poor peasants and farm labourers. In the land reform it is necessary to unite with the middle peasants; the poor peasants and the farm labourers must form a solid united front with the middle peasants, who account for about 20 per cent of the rural population. Otherwise, the poor peasants and farm labourers will find themselves isolated and the land reform will fail. One of the tasks in the land reform is to satisfy the demands of certain middle peasants. A section of the middle peasants must be allowed to keep some land over and above the average obtained by the poor peasants. We support the peasants' demand for equal distribution of land in order to help arouse the broad masses of peasants speedily to abolish the system of landownership by the feudal landlord class, but we do not advocate absolute equalitarianism. Whoever advocates absolute equalitarianism is wrong. There is a kind of thinking now

current in the countryside which undermines industry and commerce and advocates absolute equalitarianism in land distribution. Such thinking is reactionary, backward and retrogressive in nature. We must criticize it. The target of the land reform is only and must be the system of feudal exploitation by the landlord class and by the old-type rich peasants, and there should be no encroachment either upon the national bourgeoisie or upon the industrial and commercial enterprises run by the landlords and rich peasants. In particular, care must be taken not to encroach upon the interests of the middle peasants, independent craftsmen, professionals and new rich peasants, all of whom engage in little or no exploitation. The aim of the land reform is to abolish the system of feudal exploitation, that is, to eliminate the feudal landlords as a class, not as individuals. Therefore a landlord must receive the same allotment of land and property as does a peasant and must be made to learn productive labour and join the ranks of the nation's economic life. Except for the most heinous counter-revolutionaries and local tyrants, who have incurred the bitter hatred of the broad masses, who have been proved guilty and who therefore may and ought to be punished, a policy of leniency must be applied to all, and any beating or killing without discrimination must be forbidden. The system of feudal exploitation should be abolished step by step, that is, in a tactical way. In launching the struggle we must determine our tactics according to the circumstances and the degree to which the peasant masses are awakened and organized. We must not attempt to wipe out overnight the whole system of feudal exploitation. In accordance with the actual conditions of the system of feudal exploitation in China's villages, the total scope of attack in the land reform should generally not exceed about 8 per cent of the rural households or about 10 per cent of the rural population. In the old and semi-old Liberated Areas the percentage should be even smaller. It is dangerous to depart from actual conditions and mistakenly enlarge the scope of attack. In the new

Liberated Areas, moreover, it is necessary to distinguish between different places and different stages. By distinguishing between places we mean that in those places which we can hold securely we should concentrate our efforts on carrying out appropriate land reform work that accords with the wishes of the local masses, while in those places which for the time being are difficult to hold securely, until there is a change in the situation we should not be in a hurry to start the land reform but should confine ourselves to activities which are feasible and beneficial to the masses in the present circumstances. By distinguishing between stages we mean that in places recently occupied by the People's Liberation Army we should put forward and carry out the tactics of neutralizing the rich peasants, of neutralizing the middle and small landlords, and thus narrow the scope of the attack so as to destroy only the reactionary Kuomintang armed forces and deal blows at the bad gentry and local tyrants. We should concentrate all our efforts on accomplishing this task as the first stage of work in the new Liberated Areas. We should then advance step by step to the stage of total abolition of the feudal system, in accordance with the rising level of political consciousness and organization of the masses. In the new Liberated Areas we should distribute movable property and land only when conditions are relatively secure and the overwhelming majority of the masses have been fully roused to action; to act otherwise would be adventurist and undependable and would do harm rather than good. In the new Liberated Areas the experience gained during the War of Resistance must be fully utilized. By abolishing feudalism in a discriminating way we mean that we should distinguish between landlords and rich peasants, among big, middle and small landlords and between those landlords and rich peasants who are local tyrants and those who are not, and that, subject to the major premise of the equal distribution of land and the abolition of the feudal system, we should not decide on and give the same treatment to them all, but should

differentiate and vary the treatment according to varying conditions. When we do this, people will see that our work is completely reasonable. The development of agricultural production is the immediate aim of the land reform. Only by abolishing the feudal system can the conditions for such development be created. In every area, as soon as feudalism is wiped out and the land reform is completed, the Party and the democratic government must put forward the task of restoring and developing agricultural production, transfer all available forces in the countryside to this task, organize co-operation and mutual aid, improve agricultural technique, promote seed selection and build irrigation works -- all to ensure increased production. Party organizations in the rural areas must devote the greatest energy to restoring and developing agricultural production and also industrial production in small towns. In order to speed up this restoration and development, we must do our utmost, in the course of our struggle for the abolition of the feudal system, to preserve all useful means of production and of livelihood, take resolute measures against anyone's destroying or wasting them, oppose extravagant eating and drinking and pay attention to thrift and economy. In order to develop agricultural production, we must advise the peasants to organize, voluntarily and step by step, the various types of producers' and consumers' co-operatives based on private ownership, which are permissible under present economic conditions. The abolition of the feudal system and the development of agricultural production will lay the foundation for the development of industrial production and the transformation of an agricultural country into an industrial one. This is the ultimate goal of the new-democratic revolution.

[...]

Let me repeat:

The revolution against imperialism, feudalism and bureaucrat-capitalism waged by the broad masses of the people under the leadership of the proletariat -- this is China's new-

democratic revolution, and this is the general line and general policy of the Communist Party of China at the present stage of history.

To rely on the poor peasants, unite with the middle peasants, abolish the system of feudal exploitation step by step and in a discriminating way, and develop agricultural production -- this is the general line and general policy of the Communist Party of China in the work of land reform during the period of the new-democratic revolution.

Speech at a conference of cadres in the Shansi-Suiyuan liberated area

April 1, 1948

The reactionary Nanking Kuomintang government deprives the people of all their freedoms and rights; it oppresses all the democratic parties and the people's organizations, denying them their legal status; it suppresses the righteous movement of the students against civil war, hunger and persecution and against U.S. interference in China's internal affairs and U.S. fostering of the forces of aggression in Japan; it floods the country with the bogus national currency and the bogus gold yuan notes, thus ruining the economic life of the people and reducing the broad masses to bankruptcy; and by various means of expropriation it concentrates the greatest part of the nation's wealth in the hands of the bureaucrat-capitalists headed by the four big families of Chiang, Soong, Kung and Chen. In short, the reactionary Nanking Kuomintang government has plunged the whole nation into dire suffering by waging a civil war based on its reactionary and traitorous basic policies, domestic and foreign; it absolutely cannot escape full responsibility. In contrast to the Kuomintang, the Communist Party of China did all it could after Japan's surrender to press the Kuomintang government to prevent and stop the civil war and realize domestic peace.

*Statement on the Present Situation by Mao Tse-tung, Chairman of
the Central Committee of the Communist Party of China*

January 14, 1949

On January 14 of the same year, the Communist Party of China issued a statement agreeing to this proposal of the Kuomintang government at Nanking and putting forward eight terms as the basis for the peace negotiations between the two sides. These terms are as follows: punish the war criminals; abolish the bogus constitution; abolish the bogus “constituted authority”; reorganize all reactionary troops on democratic principles; confiscate bureaucrat-capital; reform the land system; abrogate treasonable treaties; convene a New Political Consultative Conference without the participation of reactionary elements and form a democratic coalition government to take over all the power and authority of the reactionary Nanking Kuomintang government and of its subordinate governments at all levels. These eight basic terms were agreed to by the National Government at Nanking. Thereupon, the Communist Party of China and the National Government at Nanking appointed their respective delegations, fully empowered to conduct negotiations and to sign an agreement.

[...]

Article 11. Both sides agree that all bureaucrat-capitalist enterprises and property (including banks, factories, mines, vessels, companies and shops) acquired or seized during the rule of the National Government at Nanking through the use of political prerogatives and the influence of wealth and position shall be confiscated and become the property of the state.

Article 12. In areas not yet entered and taken over by the People’s Liberation Army, the National Government at Nanking shall be held responsible for supervising the bureaucrat-

capitalist enterprises and property mentioned in Article 11 so that no theft or concealment, damage, transfer or secret sale shall occur. Assets which have already been moved shall be frozen wherever found, and their being subsequently removed, transported abroad or damaged shall not be permitted. Bureaucrat-capitalist enterprises and property located abroad shall be declared the property of the state.

Article 13. In areas already entered and taken over by the People's Liberation Army, the bureaucrat-capitalist enterprises and property mentioned in Article 11 shall be confiscated by the local Military Control Commissions or institutions authorized by the Democratic Coalition Government. Private shares in them, if any, shall be investigated, after they have been verified as being in fact private and not secretly transferred bureaucrat-capital, they shall be recognized, and their owners shall be permitted to remain shareholders or to withdraw their shares.

Order to the Army for the Country-wide Advance
April 21, 1949

We hereby proclaim the following eight-point covenant by which we, together with the whole people, shall abide.

1. Protect the lives and property of all the people. People in all walks of life, irrespective of class, belief or occupation, are expected to maintain order and adopt a co-operative attitude towards the People's Liberation Army. The People's Liberation Army on its part will adopt a co-operative attitude towards people in all walks of life. Counter-revolutionaries or other saboteurs who seize the opportunity to create disturbances, loot or sabotage shall be severely dealt with.

2. Protect the industrial, commercial, agricultural and live-stock enterprises of the national bourgeoisie. All privately owned factories, shops, banks, warehouses, vessels, wharves, farms, livestock farms and other enterprises will without

exception be protected against any encroachment. It is hoped that workers and employees in all occupations will maintain production as usual and that all shops will remain open as usual.

3. Confiscate bureaucrat-capital. All factories, shops, banks and warehouses, all vessels, wharves and railways, all postal, telegraph, electric light, telephone and water supply services, and all farms, livestock farms and other enterprises operated by the reactionary Kuomintang government and the big bureaucrats shall be taken over by the People's Government. In such enterprises the private shares held by national capitalists engaged in industry, commerce, agriculture or livestock raising shall be recognized, after their ownership is verified. All personnel working in bureaucrat-capitalist enterprises must remain at their posts pending the take-over by the People's Government and must assume responsibility for the safekeeping of all assets, machinery, charts, account books, records, etc., in preparation for the check-up and take-over. Those who render useful service in this connection will be rewarded; those who obstruct or sabotage will be punished. Those desiring to go on working after the take-over by the People's Government will be given employment commensurate with their abilities so that they will not become destitute and homeless.

4. Protect all public and private schools, hospitals, cultural and educational institutions, athletic fields and other public welfare establishments. It is hoped that all personnel in these institutions will remain at their posts; the People's Liberation Army will protect them from molestation.

5. Except for the incorrigible war criminals and counter-revolutionaries who have committed the most heinous crimes, the People's Liberation Army and the People's Government will not hold captive, arrest or subject to indignity any officials, whether high or low, in the Kuomintang's central, provincial, municipal and county governments, deputies to the "National Assembly", members of the Legislative and

Control Yuans, members of the political consultative councils, police officers and district, township, village and pao-chia[1] officials, so long as they do not offer armed resistance or plot sabotage. All these persons are enjoined, pending the take-over, to stay at their posts, abide by the orders and decrees of the People's Liberation Army and the People's Government and assume responsibility for the safekeeping of all the assets and records of their offices. The People's Government will permit the employment of those among them who can make themselves useful in some kind of work and have not committed any grave reactionary act or other flagrant misdeed. Punishment shall be meted out to those who seize the opportunity to engage in sabotage, theft or embezzlement, or abscond with public funds, assets or records, or refuse to give an accounting.

6. In order to ensure peace and security in both cities and rural areas and to maintain public order, all stragglers and disbanded soldiers are required to report and surrender to the People's Liberation Army or the People's Government in their localities. No action will be taken against those who voluntarily do so and hand over their arms. Those who refuse to report or who conceal their arms shall be arrested and investigated. Persons who shelter stragglers and disbanded soldiers and do not report them to the authorities shall be duly punished.

7. The feudal system of landownership in the rural areas is irrational and should be abolished. To abolish it, however, preparations must be made and the necessary steps taken. Generally speaking, the reduction of rent and interest should come first and land distribution later; only after the People's Liberation Army has arrived at a place and worked there for a considerable time will it be possible to speak of solving the land problem in earnest. The peasant masses should organize themselves and help the People's Liberation Army to carry out the various initial reforms. They should also work hard at their farming so as to prevent the present level of agricultural

production from falling and should then raise it step by step to improve their own livelihood and supply the people of the cities with commodity grain. Urban land and buildings cannot be dealt with in the same way as the problem of rural land.

8. Protect the lives and property of foreign nationals. It is hoped that all foreign nationals will follow their usual pursuits and observe order. All foreign nationals must abide by the orders and decrees of the People's Liberation Army and the People's Government and must not engage in espionage, act against the cause of China's national independence and the people's liberation, or harbour Chinese war criminals, counter-revolutionaries or other law-breakers. Otherwise, they shall be dealt with according to law by the People's Liberation Army and the People's Government.

The People's Liberation Army is highly disciplined; it is fair in buying and selling and is not allowed to take even a needle or a piece of thread from the people. It is hoped that the people throughout the country will live and work in peace and will not give credence to rumours or raise false alarms. This proclamation is hereby issued in all sincerity and earnestness.

Mao Tse-tung
Chairman of the Chinese
People's Revolutionary
Military Commission

Chu Teh
Commander-in-Chief of
the Chinese People's Lib-
eration Army

Proclamation of the Chinese People's Liberation Army
April 25, 1949

The convening of the New Political Consultative Conference was proposed to the people of the whole country by the Communist Party of China on May 1, 1948.[2] The proposal obtained a quick response from the democratic parties, people's organizations, democratic personages in all walks of life throughout China, the country's minority nationalities and the overseas Chinese. The Communist Party of China, the democratic parties, people's organizations, democratic personages in all walks of life, minority nationalities and overseas Chinese all hold that we must overthrow the rule of imperialism, feudalism, bureaucrat-capitalism and the Kuomintang reactionaries, convene a Political Consultative Conference of representatives of all the democratic parties, people's organizations, democratic personages in all walks of life, minority nationalities and overseas Chinese, proclaim the founding of the People's Republic of China and elect a democratic coalition government to represent it.

[...]

The Chinese revolution is a revolution of the broad masses of the whole nation. Everybody is our friend, except the imperialists, the feudalists and the bureaucrat-capitalists, the Kuomintang reactionaries and their accomplices. We have a broad and solid revolutionary united front. This united front is so broad that it includes the working class, the peasantry, the urban petty bourgeoisie and the national bourgeoisie. This united front is so solid that it possesses the resolute will and the inexhaustible capacity to defeat every enemy and overcome every difficulty. The epoch we are living in is an epoch in which the imperialist system is heading for total collapse, the imperialists have fallen inextricably into crisis and, no matter how they continue to oppose the Chinese people, the Chinese people will always have a way to win final victory.

2. See "On the September Meeting- Circular of the Central Committee of the Communist Party of China", Note 4, p. 276 of this volume.

Address to the Preparatory Meeting of the New Political Consultative Conference

June 15, 1949

Is it true that “so far none has succeeded”? In the old Liberated Areas in northwestern, northern, northeastern and eastern China, where the land problem has already been solved, does the problem of “feeding this population”, as Acheson puts it, still exist? The United States has kept quite a number of spies or so-called observers in China. Why have they not ferreted out even this fact? In places like Shanghai, the problem of unemployment, or of feeding the population, arose solely because of cruel, heartless oppression and exploitation by imperialism, feudalism, bureaucrat-capitalism and the reactionary Kuomintang government. Under the People’s Government, it will take only a few years for this problem of unemployment, or of feeding the population, to be solved as completely as in the northern, northeastern and other parts of the country.

The Bankruptcy of the Idealist Conception of History

September 16, 1949

Our conference is called the Political Consultative Conference because some three years ago we held a Political Consultative Conference with Chiang Kai-shek’s Kuomintang.[1] The results of that conference were sabotaged by Chiang Kai-shek’s Kuomintang and its accomplices; nevertheless the conference left an indelible impression on the people. It showed that nothing in the interest of the people could be accomplished together with Chiang Kai-shek’s Kuomintang, the running dog of imperialism, and its accomplices. Even when resolutions were reluctantly adopted, it was of no avail,

for as soon as the time was ripe, they tore them up and started a ruthless war against the people. The only gain from that conference was the profound lesson it taught the people that there is absolutely no room for compromise with Chiang Kai-shek's Kuomintang, the running dog of imperialism, and its accomplices -- overthrow these enemies or be oppressed and slaughtered by them, either one or the other, there is no other choice. In a little more than three years the Chinese people, led by the Chinese Communist Party, have quickly awakened and organized themselves into a nation-wide united front against imperialism, feudalism, bureaucrat-capitalism and their general representative, the reactionary Kuomintang government, supported the People's War of Liberation, basically defeated the reactionary Kuomintang government, overthrown the rule of imperialism in China and restored the Political Consultative Conference.

1. "Smash Chiang Kai-shek's Offensive by a War of Self-Defence", Note 2, Selected Works of Mao Tse-tung, Vol. IV.

The Chinese People Have Stood Up!
September 21, 1949

Our present session had many subjects for discussion, the central one being the question of transforming the old land system. We have endorsed the Draft Agrarian Reform Law [3] proposed by the Central Committee of the Communist Party of China to which we have made a number of useful amendments and supplements. This is fine. I am glad and wish to congratulate the hundreds of millions of new China's rural population on winning the opportunity for emancipation and the nation on winning the basic condition for industrialization. The peasants form the bulk of China's population. It was with their help that victory was won in the revolution, and it is again their help that will make the industrialization

of the country possible. Therefore, the working class should actively help the peasants carry out the agrarian reform; the urban petty bourgeoisie and national bourgeoisie should also give their support, and still more so should all the democratic parties and people's organizations. War and agrarian reform are two tests everyone and every political party in China must go through in the historical period of New Democracy. Whoever sides with the revolutionary people is a revolutionary. Whoever sides with imperialism, feudalism and bureaucrat-capitalism is a counter-revolutionary. Whoever sides with the revolutionary people in word only but not in deed is a revolutionary in word. Whoever sides with the revolutionary people in deed as well as in word is a true revolutionary. The test of war is basically over, and we have all come through well, to the satisfaction of the people of the whole country. Now it is the test of agrarian reform that we have to pass, and I hope we shall acquit ourselves just as well as we did in the test of war. Let us give this matter more thought, have more consultation, straighten out our thinking, march in step and form a great anti-feudal united front, and then we shall be able to lead the people and help them pass this test successfully. When the tests of war and agrarian reform are passed, the remaining test will be easy to pass, that is, the test of socialism, of country-wide socialist transformation. As for those who have made contributions in the revolutionary war and in the revolutionary transformation of the land system and who continue to do so in the coming years of economic and cultural construction, the people will not forget them when the time comes for nationalizing private industry and socializing agriculture (which is still quite far off), and they will have a bright future. This is how our country steadily advances; it has passed through the war and is undergoing new-democratic reforms, and in the future it will enter the new era of socialism unhurriedly and with proper arrangements when our economy and culture are flourishing, when conditions are ripe and when the transition has been fully considered and

endorsed by the whole nation. I think it is necessary to make this point clear so that people will have confidence and stop worrying: “Don’t know when I’ll no longer be wanted and be given the chance to serve the people even if I wish to.” No, that won’t happen. The people and their government have no reason to reject anyone or deny him the opportunity of making a living and rendering service to the country, provided he is really willing to serve the people and provided he really helped and did a good turn when the people were faced with difficulties and keeps on doing good without giving up half-way.

3. This refers to the “Draft Agrarian Reform Law of the People’s Republic of China”. The Central Committee of the Chinese Communist Party presented the draft to the Second Session of the First National Committee of the Chinese People’s Political Consultative Conference on June 14, 1950 for discussion. After it had been discussed and endorsed by the session, the Central People’s Government Council approved the draft. On June 30 of the same year, Mao Tse-tung, Chairman of the Central People’s Government, promulgated the “Agrarian Reform Law of the People’s Republic of China”.

Be a True Revolutionary
June 23, 1950

Why do all of you here and the vast numbers of activists support the Draft Constitution and find it satisfactory? There are two main reasons: one is that it sums up the experience of the past and the other is that it combines principle with flexibility.

First, it sums up the experience of the past, especially that in our revolution and construction over the last five years. It sums up our experience in the people’s revolution led by the proletariat against imperialism, feudalism and bureaucrat-capitalism as well as our experience in social reform,

economic construction, cultural construction and government work over the last few years. Besides, it sums up the experience in constitution-making since the last years of the Ching Dynasty, that is, from the Nineteen Constitutional Articles [1] in the final days of the Ching Dynasty to the Provisional Constitution of the Republic of China [2] in 1912, the various constitutions and draft constitutions under the governments of the Northern warlords, [3] the Provisional Constitution of the Republic of China in the Period Under Political Tutelage of the reactionary Chiang Kai-shek regime and right up to Chiang Kai-shek's bogus constitution. One of these was positive in nature and the others negative. Thus the Provisional Constitution of the Republic of China in 1912 was a fairly good one for its time. Of course it had its imperfections and faults and was bourgeois in nature, but there was something revolutionary and democratic about it. It was concise and is said to have been drafted in haste, taking only a month from the time of its framing to its adoption. As for the other constitutions and draft constitutions, they were altogether reactionary. This Draft Constitution of ours is chiefly a summing-up of our experience in revolution and construction, but at the same time it is a synthesis of domestic and international experience. Our constitution is of a socialist type. It is based mainly on our own experience but has drawn upon what is good in the constitutions of the Soviet Union and the People's Democracies. Speaking of constitutions, the bourgeoisie was the forerunner. The bourgeoisie, whether in Britain, France or the United States, was revolutionary for a period, and it was during this period that the bourgeoisie began making constitutions. We should not write off bourgeois democracy with one stroke of the pen and deny bourgeois constitutions a place in history. All the same, present-day bourgeois constitutions are no good at all, they are bad, particularly the constitutions of the imperialist countries, which are designed to deceive and oppress the majority of the people. Our constitution is of a new, socialist type, different from

any of the bourgeois type. It is far more progressive than the constitutions of the bourgeoisie even in its revolutionary period. We are superior to the bourgeoisie.

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1. This refers to the Nineteen Constitutional Articles promulgated by the Ching government in November 1911.
 2. The Provisional Constitution of the Republic of China was promulgated by Dr. Sun Yat-sen when he took office as Provisional President of the Republic of China after the 1911 Revolution.
 3. These refer to the Yuan Shih-kai government's Temple of Heaven Draft Constitution of 1913 and its Provisional Constitution of 1914, the Tsao Kun government's Constitution of 1923 and Tuan Chi-jui's provisional government's Draft Constitution of 1925.

On the Draft Constitution of the People's Republic of China
June 14, 1954

Comrades,

The speeches from the floor have ended. Now I'll say a few words on the following questions: an evaluation of the present conference, the Five-Year Plan, the case of Kao Kang and Jao Shu-shih, the current situation, and the Eighth Congress.

1. EVALUATION OF THE PRESENT CONFERENCE

Most comrades agree that the conference has been a great success and that it has been another rectification meeting, following the rectification of the Yen-an days. Democracy has been promoted and criticism and self-criticism carried out, which has enabled us to know each other better, think more along the same lines and arrive at a common understanding. There was common understanding among us, but on some questions opinions differed, and this conference has enabled us to unify our understanding. Our Party will be better united

on this basis, that is, on the basis of our common understanding of ideology, politics and various policies. As Comrade Chou En-lai put it, if the Seventh National Congress of the Party and the all-Party ideological and political rectification in the period preceding it laid the foundation of our Party's ideological unity, a unity on which we proceeded to win victory in the democratic revolution against imperialism, feudalism and bureaucrat-capitalism, then the present conference will enable us to win victory for socialism.

This conference has proved that our Party has attained a much higher level. Our Party has made great strides not only since the Seventh Congress ten years ago, but also since the Second and Third Plenary Sessions of the Seventh Central Committee in 1949 and 1950. This is good, the conference indicates our progress.

We have entered a period, a new period in our history, in which what we have set ourselves to do, think about and dig into is socialist industrialization, socialist transformation and the modernization of our national defence, and we are beginning to do the same thing with atomic energy. So far as the Party as a whole is concerned, some comrades are digging deep into their jobs while others are not, and this is true of the comrades present at this conference. As is the case with doctors, some can perform operations, others can't. Some can give intravenous injections while others can't and know only how to give subcutaneous injections. And there are doctors who don't dare to go beneath the skin and can work only on the surface. Although some are not digging into their jobs, most comrades are, and quite a few seem to have learned their trade and are becoming rather expert at it. This has been borne out at this conference and is a very good thing. For we are now confronted with new problems, socialist industrialization, socialist transformation, a new defence system and other new fields of work. It is our task to adapt ourselves to this new situation, dig into our jobs and become experts. It is therefore necessary to educate those who have failed to dig

into their jobs and remained on the surface, so that they will all turn into experts.

The struggle against the anti-Party alliance of Kao Kang and Jao Shu-shih will take our Party a big step forward.

We must propagate dialectical materialism among the five million intellectuals inside and outside the Party and among cadres at all levels so that they will grasp it and combat idealism, and we shall then be able to organize a powerful corps of theoretical workers, which we urgently need. That again will be a very good thing.

We must draw up a plan for the formation of such a corps with several million people taking up the study of dialectical materialism and historical materialism, the theoretical basis of Marxism, and combating all shades of idealism and mechanical materialism. At present there are many cadres doing theoretical work, but there is still no corps of theoretical workers, much less a powerful one. Without such a corps, the cause of the entire Party, the socialist industrialization and socialist transformation of our country, the modernization of our national defence and our research in atomic energy cannot move along or succeed. I therefore recommend that you comrades read philosophy. Quite a few people are not interested in philosophy and have not cultivated the habit of reading it. They can begin by reading pamphlets or short articles and, after their interest is thus aroused, tackle books running to a length of seventy thousand or eighty thousand and then even several hundred thousand words. Marxism consists of several branches of learning: Marxist philosophy, Marxist economics and Marxist socialism, that is, the theory of class struggle, but the foundation is Marxist philosophy. If this is not grasped, we will not have a common language or any common method, and we may keep on arguing back and forth without making things any clearer. Once dialectical materialism is grasped, a lot of trouble will be saved and many mistakes avoided.

*Speeches at the National Conference of the Communist Party of
China*

March 31, 1955

In recent months the Political Bureau of the Central Committee has heard reports on the work of thirty-four industrial, agricultural, transport, commercial, financial and other departments under the: central authorities and from these reports has identified a number of problems concerning socialist construction and socialist transformation. In all, they boil down to ten problems, or ten major relationships.

It is to focus on one basic policy that these ten problems are being raised, the basic policy of mobilizing all positive factors, internal and external, to serve the cause of socialism. In the past we followed this policy of mobilizing all positive factors in order to put an end to the rule of imperialism, feudalism and bureaucrat-capitalism and to win victory for the people's democratic revolution. We are now following the same policy in order to carry on the socialist revolution and build a socialist country. Nevertheless, there are some problems in our work that need discussion. Particularly worthy of attention is the fact that in the Soviet Union certain defects and errors that occurred in the course of their building socialism have lately come to light. Do you want to follow the detours they have made? It was by drawing lessons from their experience that we were able to avoid certain detours in the past, and there is all the more reason for us to do so now.*

* Speech at an enlarged meeting of the Political Bureau of the Central Committee of the Chinese Communist Party. Bearing in mind lessons drawn from the Soviet Union, Comrade Mao Tse-tung summed up China's experience, dealt with ten major relationships in socialist revolution and socialist construction and set forth the ideas underlying the general line of building socialism with greater, faster, better and more economical results, a line suited to the conditions of our country.

A few cadres with an intellectual background at the level of department or bureau head advocate great democracy, saying that small democracy is not satisfying enough. Their “great democracy” means the adoption of the bourgeois parliamentary system of the West and the imitation of such Western stuff as “parliamentary democracy”, “freedom of the press” and “freedom of speech”. Their advocacy is wrong, for they lack the Marxist viewpoint, the class viewpoint. However, the terms great democracy and small democracy are quite graphic, so we have borrowed them.

Democracy is a method, and it all depends on to whom it is applied and for what purpose. We are in favour of great democracy. And what we favour is great democracy under the leadership of the proletariat. We mobilized the masses to fight Chiang Kai-shek and licked him after a struggle lasting more than twenty years. In the agrarian reform movement, the peasant masses rose against the landlord class and got land after three years of struggle. These were instances of great democracy. The movement against the “three evils” was a struggle against those of our personnel who had been corrupted by the bourgeoisie. The movement against the “five evils” was a struggle against the bourgeoisie. In both movements relentless blows were dealt. These were all vigorous mass movements and instances of great democracy. A few days ago, masses of people held a demonstration in front of the Office of the British Chargé d’Affaires in China, and several hundred thousand people held a rally at Tien An Men Square in Peking in support of Egypt’s resistance to Anglo-French aggression. This was also an instance of great democracy, aimed at imperialism. Why shouldn’t we cherish this great democracy? We do in fact cherish it. Who is this great

democracy directed against? Against imperialism, feudalism and bureaucrat-capitalism, and against capitalism. The socialist transformation of private industry and commerce was directed against capitalism. The socialist transformation of agriculture, which was designed to abolish the private ownership of small producers, was by its nature also directed against capitalism. It was by means of the mass movement that we carried out the socialist transformation of agriculture, mobilizing the peasants, principally the poor and lower-middle peasants first, to organize themselves, so that the upper-middle peasants could not but agree. As for the fact that the capitalists beat drums and struck gongs to welcome the socialist transformation, it was because they had no alternative with the advent of the socialist upsurge in the countryside and with the pressure from the masses of workers under them.

If great democracy is now to be practiced again, I am for it. You are afraid of the masses taking to the streets, I am not, not even if hundreds of thousands should do so. "He who is not afraid of death by a thousand cuts dares to unhorse the emperor." This was a saying of a character in a classical Chinese novel, Wang Hsi-feng, otherwise called Sister Feng. She it was who said this. The great democracy set in motion by the proletariat is directed against class enemies. Enemies of the nation (who are none other than the imperialists and the foreign monopoly capitalists) are class enemies also. Great democracy can be directed against bureaucrats too. I just said that there would still be revolutions ten thousand years from now, so possibly great democracy will have to be practiced then. If some people grow tired of life and so become bureaucratic, if, when meeting the masses, they have not a single kind word for them but only take them to task, and if they don't bother to solve any of the problems the masses may have, they are destined to be overthrown. Now this danger does exist. If you alienate yourself from the masses and fail to solve their problems, the peasants will wield their carrying-poles, the workers will demonstrate in the streets and the

students will create disturbances. Whenever such things happen, they must in the first place be taken as good things, and that is how I look at the matter.

Several years ago, an airfield was to be built somewhere in Honan Province, but no proper arrangements were made beforehand for the peasants living there nor any adequate explanations offered them when they were compelled to move out. The peasants of the village affected said, even the birds will make a few squawks if you go poking with your pole at their nest in a tree and try to bring it down. Teng Hsiao-ping, you, too, have a nest, and if I destroyed it, wouldn't you make a few squawks? So the local people set up three lines of defence: the first line was composed of children, the second of women, and the third of able-bodied young men. All who went there to do the surveying were driven away and the peasants won out in the end. Later, when satisfactory explanations were given and arrangements made, they agreed to move and the airfield was built. There are quite a few similar cases. Now there are people who seem to think that, as state power has been won, they can sleep soundly without any worry and play the tyrant at will. The masses will oppose such persons, throw stones at them and strike at them with their hoes, which will, I think, serve them right and will please me immensely. Moreover, sometimes to fight is the only way to solve a problem. The Communist Party needs to learn a lesson. Whenever students and workers take to the streets, you comrades should regard it as a good thing. There were over a hundred students from Chengtu who wanted to come to Peking to present a petition, but those in one train were halted at the Kuangyuan station in Szechuan Province, while those in another train got as far as Loyang but failed to reach Peking. It is my opinion and Premier Chou's too that the students should have been allowed to come to Peking and call on the departments concerned. The workers should be allowed to go on strike and the masses to hold demonstrations. Processions and demonstrations are provided for in our

Constitution. In the future when the Constitution is revised, I suggest that the freedom to strike be added, so that the workers shall be allowed to go on strike. This will help resolve the contradictions between the state and the factory director on the one hand and the masses of workers on the other. After all they are nothing but contradictions. The world is full of contradictions. The democratic revolution resolved the set of contradictions with imperialism, feudalism and bureaucrat-capitalism. At present, when the contradictions with national capitalism and small production with respect to ownership have been basically resolved, contradictions in other respects have come to the fore, and new contradictions have arisen. There are several hundred thousand cadres at the level of the county Party committee and above who hold the destiny of the country in their hands. If they fail to do a good job, alienate themselves from the masses and do not live plainly and work hard, the workers, peasants and students will have good reason to disapprove of them. We must watch out lest we foster the bureaucratic style of work and grow into an aristocratic stratum divorced from the people. The masses will have good reason to remove from office whoever practices bureaucracy, makes no effort to solve their problems, scolds them, tyrannizes over them and never tries to make amends. I say it is fine to remove such fellows, and they ought to be removed.

Now the democratic parties and the bourgeoisie are against the great democracy of the proletariat. If we were to start a second movement against the “five evils”, they would not like it. They are very much afraid that the democratic parties will be eliminated and will not enjoy long-term coexistence if great democracy is put into practice. Do professors like great democracy? It is hard to say, but I think they are on their guard, they too are afraid of proletarian great democracy. If they want to practice bourgeois great democracy, I will propose a rectification, that is, ideological remoulding. All the students will be mobilized to criticize them, and in every

college a checkpoint, so to speak, will be set up which they must pass through before the whole matter can be considered closed. So professors, too, are afraid of proletarian great democracy.

Speech at the Second Plenary Session of the Eighth Central Committee of the Communist Party of China

November 15, 1956

The contradictions between ourselves and the enemy are antagonistic contradictions. Within the ranks of the people, the contradictions among the working people are non-antagonistic, while those between the exploited and the exploiting classes have a non-antagonistic as well as an antagonistic aspect. There have always been contradictions among the people, but they are different in content in each period of the revolution and in the period of building socialism. In the conditions prevailing in China today, the contradictions among the people comprise the contradictions within the working class, the contradictions within the peasantry, the contradictions within the intelligentsia, the contradictions between the working class and the peasantry, the contradictions between the workers and peasants on the one hand and the intellectuals on the other, the contradictions between the working class and other sections of the working people on the one hand and the national bourgeoisie on the other, the contradictions within the national bourgeoisie, and so on. Our People's Government is one that genuinely represents the people's interests, it is a government that serves the people. Nevertheless, there are still certain contradictions between this government and the people. These include the contradictions between the interests of the state and the interests of the collective on the one hand and the interests of the individual on the other, between democracy and centralism, between the leadership and the led, and the contradictions arising from

the bureaucratic style of work of some of the state personnel in their relations with the masses. All these are also contradictions among the people. Generally speaking, the fundamental identity of the people's interests underlies the contradictions among the people.

In our country, the contradiction between the working class and the national bourgeoisie comes under the category of contradictions among the people. By and large, the class struggle between the two is a class struggle within the ranks of the people, because the Chinese national bourgeoisie has a dual character. In the period of the bourgeois-democratic revolution, it had both a revolutionary and a conciliationist side to its character. In the period of the socialist revolution, exploitation of the working class for profit constitutes one side of the character of the national bourgeoisie, while its support of the Constitution and its willingness to accept socialist transformation constitute the other. The national bourgeoisie differs from the imperialists, the landlords and the bureaucrat-capitalists. The contradiction between the national bourgeoisie and the working class is one between exploiter and exploited, and is by nature antagonistic. But in the concrete conditions of China, this antagonistic contradiction between the two classes, if properly handled, can be transformed into a non-antagonistic one and be resolved by peaceful methods. However, the contradiction between the working class and the national bourgeoisie will change into a contradiction between ourselves and the enemy if we do not handle it properly and do not follow the policy of uniting with, criticizing and educating the national bourgeoisie, or if the national bourgeoisie does not accept this policy of ours.

Since they are different in nature, the contradictions between ourselves and the enemy and the contradictions among the people must be resolved by different methods. To put it briefly, the former entail drawing a clear distinction between ourselves and the enemy, and the latter entail drawing a clear distinction between right and wrong. It is of course true that

the distinction between ourselves and the enemy is also one of right and wrong. For example, the question of who is in the right, we or the domestic and foreign reactionaries, the imperialists, the feudalists and bureaucrat-capitalists, is also one of right and wrong, but it is in a different category from questions of right and wrong among the people.

Our state is a people's democratic dictatorship led by the working class and based on the worker-peasant alliance. What is this dictatorship for? Its first function is internal, namely, to suppress the reactionary classes and elements and those exploiters who resist the socialist revolution, to suppress those who try to wreck our socialist construction, or in other words, to resolve the contradictions between ourselves and the internal enemy. For instance, to arrest, try and sentence certain counter-revolutionaries, and to deprive landlords and bureaucrat-capitalists of their right to vote and their freedom of speech for a certain period of time -- all this comes within the scope of our dictatorship. To maintain public order and safeguard the interests of the people, it is necessary to exercise dictatorship as well over thieves, swindlers, murderers, arsonists, criminal gangs and other scoundrels who seriously disrupt public order. The second function of this dictatorship is to protect our country from subversion and possible aggression by external enemies. In such contingencies, it is the task of this dictatorship to resolve the contradiction between ourselves and the external enemy. The aim of this dictatorship is to protect all our people so that they can devote themselves to peaceful labour and make China a socialist country with modern industry, modern agriculture, and modern science and culture. Who is to exercise this dictatorship? Naturally, the working class and the entire people under its leadership. Dictatorship does not apply within the ranks of the people. The people cannot exercise dictatorship over themselves, nor must one section of the people oppress another. Law-breakers among the people will be punished according to law, but this is different in principle from the exercise of

dictatorship to suppress enemies of the people. What applies among the people is democratic centralism. Our Constitution lays it down that citizens of the People's Republic of China enjoy freedom of speech, the press, assembly, association, procession, demonstration, religious belief, and so on. Our Constitution also provides that the organs of state must practice democratic centralism, that they must rely on the masses and that their personnel must serve the people. Our socialist democracy is the broadest kind of democracy, such as is not to be found in any bourgeois state. Our dictatorship is the people's democratic dictatorship led by the working class and based on the worker-peasant alliance. That is to say, democracy operates within the ranks of the people, while the working class, uniting with all others enjoying civil rights, and in the first place with the peasantry, enforces dictatorship over the reactionary classes and elements and all those who resist socialist transformation and oppose socialist construction. By civil rights, we mean, politically, the rights of freedom and democracy.

But this freedom is freedom with leadership and this democracy is democracy under centralized guidance, not anarchy. Anarchy does not accord with the interests or wishes of the people.

[...]

In socialist society the basic contradictions are still those between the relations of production and the productive forces and between the superstructure and the economic base. However, they are fundamentally different in character and have different features from the contradictions between the relations of production and the productive forces and between the superstructure and the economic base in the old societies. The present social system of our country is far superior to that of the old days. If it were not so, the old system would not have been overthrown and the new system could not have been established. In saying that the socialist relations of production correspond better to the character of the

productive forces than did the old relations of production, we mean that they allow the productive forces to develop at a speed unattainable in the old society, so that production can expand steadily and increasingly meet the constantly growing needs of the people. Under the rule of imperialism, feudalism and bureaucrat-capitalism, the productive forces of the old China grew very slowly. For more than fifty years before liberation, China produced only a few tens of thousands of tons of steel a year, not counting the output of the northeastern provinces. If these provinces are included, the peak annual steel output only amounted to a little over 900,000 tons. In 1949, the national steel output was a little over 100,000 tons. Yet now, a mere seven years after the liberation of our country, steel output already exceeds 4,000,000 tons. In the old China, there was hardly any machine-building industry, to say nothing of the automobile and aircraft industries; now we have all three. When the people overthrew the rule of imperialism, feudalism and bureaucrat-capitalism, many were not clear as to which way China should head -- towards capitalism or towards socialism. Facts have now provided the answer: Only socialism can save China. The socialist system has promoted the rapid development of the productive forces of our country, a fact even our enemies abroad have had to acknowledge.

But our socialist system has only just been set up; it is not yet fully established or fully consolidated. In joint state-private industrial and commercial enterprises, capitalists still get a fixed rate of interest on their capital, that is to say, exploitation still exists. So far as ownership is concerned, these enterprises are not yet completely socialist in nature. A number of our agricultural and handicraft producers' co-operatives are still semi-socialist, while even in the fully socialist co-operatives certain specific problems of ownership remain to be solved. Relations between production and exchange in accordance with socialist principles are being gradually established within and between all branches of our economy, and

more and more appropriate forms are being sought. The problem of the proper relation of accumulation to consumption within each of the two sectors of the socialist economy -- the one where the means of production are owned by the whole people and the other where the means of production are owned by the collective -- and the problem of the proper relation of accumulation to consumption between the two sectors themselves are complicated problems for which it is not easy to work out a perfectly rational solution all at once. To sum up, socialist relations of production have been established and are in correspondence with the growth of the productive forces, but these relations are still far from perfect, and this imperfection stands in contradiction to the growth of the productive forces. Apart from correspondence as well as contradiction between the relations of production and the growth of the productive forces, there is correspondence as well as contradiction between the superstructure and the economic base. The superstructure, comprising the state system and laws of the people's democratic dictatorship and the socialist ideology guided by Marxism-Leninism, plays a positive role in facilitating the victory of socialist transformation and the socialist way of organizing labour; it is in correspondence with the socialist economic base, that is, with socialist relations of production. But the existence of bourgeois ideology, a certain bureaucratic style of work in our state organs and defects in some of the links in our state institutions are in contradiction with the socialist economic base. We must continue to resolve all such contradictions in the light of our specific conditions. Of course, new problems will emerge as these contradictions are resolved. And further efforts will be required to resolve the new contradictions. For instance, a constant process of readjustment through state planning is needed to deal with the contradiction between production and the needs of society, which will long remain an objective reality. Every year our country draws up an economic plan in order to establish a proper ratio between accumulation and

consumption and achieve an equilibrium between production and needs. Equilibrium is nothing but a temporary, relative, unity of opposites. By the end of each year, this equilibrium, taken as a whole, is upset by the struggle of opposites; the unity undergoes a change, equilibrium becomes disequilibrium, unity becomes disunity, and once again it is necessary to work out an equilibrium and unity for the next year. Herein lies the superiority of our planned economy. As a matter of fact, this equilibrium, this unity, is partially upset every month or every quarter, and partial readjustments are called for. Sometimes, contradictions arise and the equilibrium is upset because our subjective arrangements do not conform to objective reality; this is what we call making a mistake. The ceaseless emergence and ceaseless resolution of contradictions constitute the dialectical law of the development of things.

Today, matters stand as follows. The large-scale, turbulent class struggles of the masses characteristic of times of revolution have in the main come to an end, but class struggle is by no means entirely over. While welcoming the new system, the masses are not yet quite accustomed to it. Government personnel are not sufficiently experienced and have to undertake further study and investigation of specific policies. In other words, time is needed for our socialist system to become established and consolidated, for the masses to become accustomed to the new system, and for government personnel to learn and acquire experience. It is therefore imperative for us at this juncture to raise the question of distinguishing contradictions among the people from those between ourselves and the enemy, as well as the question of the correct handling of contradictions among the people, in order to unite the people of all nationalities in our country for the new battle, the battle against nature, develop our economy and culture, help the whole nation to traverse this period of transition relatively smoothly, consolidate our new system and build up our new state.

On the Correct Handling of Contradictions Among the People

February 27, 1957

The basic thing is to have faith in the majority of the people, in the fact that the majority are good. The majority of the workers are good, and so are the majority of the peasants. And so are most members of the Communist Party and the Youth League. None of them want to throw our country into disorder. Most of the bourgeois intellectuals, the capitalists and the members of the democratic parties can be remoulded. Therefore we need not be afraid, for there won't and can't be disorder. We must have faith in the majority, and by that do we mean 51 per cent? No, we do not, we mean 90 to 98 per cent.

The socialist revolution is new to us all. The revolution we carried out in the past was only a democratic revolution, which was bourgeois in nature. It only destroyed imperialist, feudal and bureaucrat-capitalist ownership, but not individual ownership or national capitalist ownership. Thus many people could pass the test of the democratic revolution. While some were not really keen on a thoroughgoing democratic revolution and barely managed to come through, others were willing to work hard for it and passed the test all right. The test now is socialism, and it is hard for some people.

[...]

Many people take exception to what I said on April 30. [2] "With the skin gone, to what can the hair attach itself?" I said there used to be five skins in China. Three of them were old ones, namely, imperialist ownership, feudal ownership and bureaucrat-capitalist ownership. In the past the intellectuals depended on these skins for a living. They also depended on national capitalist ownership and on ownership by small producers, that is, petty-bourgeois ownership. Our democratic revolution was aimed at removing the first three skins and,

counting from the time of Lin Tse-hsu, [3] it went on for more than a century. The last two skins, namely, national capitalist and small producer ownership, were targets of the socialist revolution. All these five skins are now things of the past. The three older skins disappeared long ago and now the other two are gone. What skin is there now? The skin of socialist public ownership. Of course, this is divided into two parts, ownership by the whole people and ownership by the collective. On whom do they depend for a living? Whether members of the democratic parties, professors, scientists or journalists, they all depend on the working class, on the collective peasants, on ownership by the whole people and on ownership by the collective, in a word, they live off socialist public ownership. With those five skins gone, the hair is flying in mid-air and it won't stay put when it comes down. The intellectuals still look with disdain on this new skin, they have a very low opinion of the proletariat and the poor and lower-middle peasants, who, they say, are as ignorant of astronomy as of geography, and they think that people of all "three religions and nine schools of thought"[4] are not fit to hold a candle to them. The intellectuals are reluctant to accept Marxism-Leninism. Marxism-Leninism was opposed by many people in the past. The imperialists opposed it. Chiang Kai-shek opposed it, day in day out, saying "Communism is not suited to China's conditions" and making people afraid of it. It requires time as well as a socialist ideological revolutionary movement for intellectuals to embrace Marxism-Leninism and transform their bourgeois world outlook into the proletarian world outlook. The movement this year is meant to pave the way.

1. In October 1957 the Polish Government banned the weekly *Po Prostu*, which led to student riots.

2. This refers to the address by Comrade Mao Tse-tung on April 30, 1957 at a meeting of leading members of the democratic parties and democrats without party affiliation on the rectification movement and the ideological remoulding of intellectuals.

3. Lin Tse-hsu (1785-1850), Ching Dynasty viceroy of Kwangtung and Kwangsi Provinces during the First Opium War, stood for resolute resistance to British aggression.

4. In ancient China, the three religions were Confucianism, Taoism and Buddhism, and the nine schools of thought were the Confucians, the Taoists, the Yin-Yang, the Legalists, the Logicians, the Mohists, the Political Strategists, the Eclectics and the Agriculturists. Later the “three religions and nine schools of thought” took on a broader meaning to indicate the different religious sects and academic schools. In the old society the phrase was also used to mean people in dubious trades.

Have Firm Faith in the Majority of the People
October 13, 1957

We should not be afraid of the masses but should be with them. Some comrades fear the masses just as they fear water. Do you swim? I encourage swimming everywhere I go. Water is a good thing. If you put in an hour every day to learn swimming and keep it up, taking a dip today and another tomorrow, I bet you will learn how in a hundred days. First, you mustn't get a coach, second, you mustn't use a rubber tyre, as you won't learn if you use one. “But I fear for my life, I can't swim yet!” Well, you can first start in shallow water. Suppose you are to learn swimming in a hundred days, you paddle in the shallow water for thirty days and then you get the hang of it. Once you know how, it makes no difference whether you go swimming in the Yangtse River or in the Pacific Ocean, it is just water, the same thing. Some argue that you can't drown in a swimming-pool, because somebody will come to your rescue if you sink; but swimming in the Yangtse is terrifying, the current is so swift, won't you be lost for good once you go under? This is an argument some use to scare people. I say that's the way amateurs talk. None of our top-notch swimmers, none of our coaches and experts at the swimming-pools dared to go swimming in the Yangtse at first,

but they do now. Don't people swim in your Whangpoo River here nowadays? The Whangpoo and the Yangtse are admission-free swimming-pools. Metaphorically speaking, the people are like water and the leaders at various levels are like swimmers who must stay in the water and swim with the current, not against it. Don't rail at the masses! In no circumstances must you do so. You mustn't rail at the worker, peasant and student masses and the majority of the members of the democratic parties and of the intellectuals. You mustn't set yourselves up against the masses, on the contrary you must always be with them. The masses may make mistakes. When they do, patiently reason things out with them, and if they refuse to listen, then wait for another chance to talk to them. But don't alienate yourselves from them, just as in swimming you don't leave the water. When Liu Pei got Chukeh Liang to help him, he said he felt "just like a fish in water". This is all true. Their fish-water relationship is not only described in fiction but recorded in history. The masses are Chukeh Liangs, the leaders are Liu Peis. One leads, the other is led.

All wisdom comes from the masses. I have always said that it is intellectuals who are most ignorant. This is the heart of the matter. Overweening intellectuals stick up their tails which are longer than that of the Monkey Sun Wu-kung. Sun Wu-kung can make seventy-two metamorphoses, and on one occasion he changes his tail into a Flagstaff -- that long. It's just terrific when the intellectuals stick up their tails. "If I'm not Number One Under Heaven, then I'm at least Number Two." "Who do the workers and peasants think they are? They're just blockheads! They can barely read and write." But the over-all situation is determined not by the intellectuals but ultimately by the working people, by their most advanced section, the proletariat.

Which leads which -- the proletariat the bourgeoisie, or vice versa? The proletariat the intellectuals, or vice versa? The intellectuals must transform themselves into proletarian

intellectuals. There is no other way out for them. "With the skin gone, to what can the hair attach itself?"[3] In the past the "hair", meaning the intellectuals, attached itself to five "skins", that is, depended on them for a living. Imperialist ownership was the first skin, feudal ownership the second and bureaucrat-capitalist ownership the third. Wasn't the purpose of the democratic revolution to topple the three big mountains of imperialism, feudalism and bureaucrat-capitalism? National capitalist ownership was the fourth skin, and the fifth was ownership by small producers, that is, individual ownership by the peasants and handicraftsmen. In the past the intellectuals attached themselves either to the first three skins or to the latter two and depended on them for a living. Do these five skins still exist? "The skins are gone." Imperialism is gone and its property has been taken over. Feudal ownership was liquidated and the land restored to the peasants, and now there is agricultural co-operation. Bureaucrat-capitalist enterprises were nationalized. National capitalist industry and commerce have been transformed into joint state-private enterprises and have by and large become socialist enterprises, though not entirely. Individual ownership by the peasants and handicraftsmen has been changed into collective ownership, even though the latter is not yet consolidated and will take a few years to consolidate itself. These five skins are no more, but they have a lingering effect on the "hair", on the capitalists and the intellectuals. These people can't get these skins out of their systems, and even dwell on them in their dreams. Those who came over from the old society, the old orbits, are nostalgic for their old habits and ways of life. Therefore the transformation of man will take a much longer time.

At present what kind of skin do intellectuals attach themselves to? To the skin of public ownership, to the proletariat. Who provides them with a living? The workers and peasants. Intellectuals are teachers employed by the working class and the labouring people to teach their children. If they go against

the wishes of their masters and insist on teaching their own set of subjects, teaching stereotyped writing, Confucian classics or capitalist rubbish, and turn out a number of counter-revolutionaries, the working class will not tolerate it and will sack them and not renew their contract for the coming year.

As I said here a hundred days ago, the intellectuals from the old society are now without a base, they have lost their former social and economic base, that is, the five skins, and they have no alternative but to attach themselves to a new one. Some intellectuals are now unsettled. Suspended as they are in mid-air, they have nothing to hang on to above and no solid ground to rest their feet on below. I say, these people may be called "gentlemen in mid-air". Flying in mid-air, they want to go back but are unable to because they find their old home, those skins, gone. Though now homeless, they are still unwilling to attach themselves to the proletariat. If they are to do so, they must make a study of proletarian ideas, have some feeling for the proletariat and make friends with workers and peasants. But no, they won't. They still hanker after what they know is gone. What we are doing now is persuading them to wake up. After this great debate, I think they will wake up somehow or other.

3. Tso Chuan, "The 14th Year of Marquis Hsi".

Beat Back the Attacks of the Bourgeois Rightists
July 9, 1957

Here (p. 331) the text goes on to express the view that the reason why countries dominated by precapitalist economic forms could carry through a socialist revolution was because of assistance from advanced socialist countries. This is an incomplete way of putting the matter. After the democratic revolution succeeded in China we were able to take the path of socialism mainly because we overthrew the rule of

imperialism, feudalism, and bureaucrat-capitalism. The internal factors were the main ones. While the assistance we received from successful socialist countries was an important condition, it was not one which could settle the question of whether or not we could take the road of socialism, but only one which could influence our rate of advance after we had taken the road. With aid we could advance more quickly, without it less so. What we mean by assistance includes, in addition to economic aid, our studious application of the positive and negative experiences of both the successes and the failures of the assisting country.

[...]

At the end of page 330 the text takes up the transformation of the democratic revolution into the socialist revolution but does not clearly explain how the transformation is effected. The October Revolution was a socialist revolution which concomitantly fulfilled tasks left over from the bourgeois democratic revolution. Immediately after the victory of the October Revolution the nationalization of land was proclaimed. But bringing the democratic revolution to a conclusion on the land question was yet to take a period of time.

During the War of Liberation China solved the tasks of the democratic revolution. The founding of the People's Republic of China in 1949 marked the basic conclusion of the democratic revolution and the beginning of the transition to socialism. It took another three years to conclude the land reform, but at the time the Republic was founded we immediately expropriated the bureaucrat capitalist enterprises — 80 percent of the fixed assets of our industry and transport — and converted them to ownership by the whole people.

During the War of Liberation we raised antibureaucrat capitalist slogans as well as anti-imperialist and antifeudal ones. The struggle against bureaucrat-capitalism had a two sided character: it had a democratic revolutionary character insofar as it amounted to opposition to comprador

capitalism,[4] but it had a socialist character insofar as it amounted to opposition to the big bourgeoisie.

After the war of resistance was won, the Nationalist Party [KMT] took over a very large portion of bureaucrat capital from Japan and Germany and Italy. The ratio of bureaucratic to national [i.e., Chinese] capital was 8 to 2. After liberation we expropriated all bureaucrat capital, thus eliminating the major components of Chinese capitalism.[5]

But it would be wrong to think that after the liberation of the whole country “the revolution in its earliest stages had only in the main the character of a bourgeois democratic revolution and not until later would it gradually develop into a socialist revolution.” [No page reference]

[...]

8. Transforming Capitalist Industry and Commerce

On page 335 there is an incorrect explanation of the process by which capitalist ownership changed into state ownership in China. The book only explains our policy toward national capital but not our policy toward bureaucrat capital (expropriation). In order to convert the property of the bureaucrat capitalist to public ownership we chose the method of expropriation.

In paragraph 2 of page 335 the experience of passing through the state capitalist form in order to transform capitalism is treated as a singular and special experience; its universal significance is denied. The countries of Western Europe and the United States have a very high level of capitalist development, and the controlling positions are held by a minority of monopoly capitalists. But there are a great number of small and middle capitalists as well. Thus it is said that American capital is concentrated but also widely distributed. After a successful revolution in these countries monopoly capital will undoubtedly have to be expropriated, but will the small and middle capitalists likewise be uniformly

expropriated? It may well be the case that some form of state capitalism will have to be adopted to transform them.

Our northeast provinces may be thought of as a region with a high level of capitalist development. The same is true for Kiangsu (with centers in Shanghai and the southern part of the province). If state capitalism could work in these areas, tell me why the same policy could not work in other countries which resemble these provincial sectors?

The method the Japanese used when they held our northeast provinces was to eliminate the major local capitalists and turn their enterprises into Japanese state-managed, or in some cases monopoly capitalist enterprises. For the small and middle capitalists they established subsidiary companies as a means of imposing control.

Our transformation of national capital passed through three stages: private manufacture on state order, unified government purchase and sale of private output, joint state-private operation (of individual units and of whole complexes). Each phase was carried out in a methodical way. This prevented any damage to production, which actually developed as the transformation progressed. We have gained much new experience with state capitalism; for one example, the providing of capitalists with fixed interest after the joint state-private operation phase.[7]

[...]

26. The Claim That “for China There Is No Necessity to Adopt Acute Forms of Class Struggle”

There is an error on page 419. After the October Revolution Russia’s bourgeoisie saw that the country’s economy had suffered severe damage, and so they decided that the proletariat could not change the situation and lacked the strength to maintain its political power. They judged that they only had to make the move and proletarian political power could be overthrown. At this point they carried out armed resistance,

thus compelling the Russian proletariat to take drastic steps to expropriate their property. At that time neither class had much experience.

To say that China's class struggle is not acute is unrealistic. It was fierce enough! We fought for twenty-two years straight. By waging war we overthrew the rule of the bourgeoisie's Nationalist Party, and expropriated bureaucrat capital, which amounted to 80 percent of our entire capitalist economy. Only thus was it possible for us to use peaceful methods to remold the remaining 20 percent of national capital. In the remoulding process we still had to go through such fierce struggles as the "three-antis" and the "five-antis" campaigns.[16]

Page 420 incorrectly describes the remoulding of bourgeois industrial and commercial enterprises. After Liberation the national bourgeoisie was forced to take the road of socialist remoulding. We brought down Chiang Kai-shek, expropriated bureaucrat capital, concluded the land reform, carried out the "three-antis" and "five-antis" campaigns, and made the cooperatives a working reality. We controlled the markets from the beginning. This series of transformations forced the national bourgeoisie to accept remoulding step by step. From yet another point of view, the Common Program stipulated that various kinds of economic interests were to be given scope. This enabled the capitalists to try for what profits they could. In addition, the constitution gave them the right to a ballot and a living. These things helped the bourgeoisie to realize that by accepting remoulding they could hold onto a social position and also play a certain role in the culture and in the economy.

In joint state-private enterprises the capitalists have no real managerial rights over the enterprise. Production is certainly not jointly managed by the capitalists and representatives of the public. Nor can it be said that "Capital's exploitation of labor has been limited." It has been virtually curtailed. The text seems to have missed the idea that the jointly operated

enterprises we are speaking of were 75 per cent socialist. Of course at present they are 90 percent socialist or more.

The remoulding of capitalist industry and commerce has been basically concluded. But if the capitalists had the chance they would attack us without restraint. In 1957 we pushed back the onslaught of the right.[17] In 1959, through their representatives in the party, they again set in motion an attack against us.[18] Our policy toward the national capitalists is to take them along with us and then to encompass them.

The text uses Lenin's statement that state capitalism "continues the class struggle in another form." This is correct. (p. 421)

5. For Comrade Mao's discussions of the importance of bureaucrat capital and policy toward it at that time, see "The Present Situation and Our Tasks," December 25, 1947, and "Report to the Second Session of the Seventh Central Committee," March 5, 1949, in *Selected Works of Mao Tse-tung*, vol. 4 (Peking: Foreign Languages Press, 1961), pp. 167-68 and 361-75.

7. Fixed interest was a specific part of the CCP's strategy of "buying out" the national bourgeoisie. After Liberation, policy toward them went through several stages. The first stage was the placing of orders by the state with private enterprises for manufacturing and processing and the unified purchase and distribution of products produced by these enterprises. After the rectification campaign in private industry in 1952, a second phase of "dividing the profits into four shares" was implemented. The four relatively equal shares were: (1) taxes paid to the state; (2) contributions to the worker welfare fund; (3) enterprise development funds; and (4) profits for the capitalists.

16. The "three-antis" (Sanfan) campaign, begun in the northeast in August 1951 and nationally in January 1952, was directed against corruption, waste, and bureaucratism among government employees, many of whom were still carryovers from the Nationalist regime. The "five-antis" (Wufan) campaign was directed at the national bourgeoisie. Its specific foci were the elimination of bribery, theft of state property, tax evasion, theft of state economic secrets, and embezzlement in carrying out government contracts.

17. Here Comrade Mao is referring to the rightist criticisms of the CCP during the “blooming and contending” period in the spring of 1957, shortly after he had delivered his talk, “On the Correct Handling of Contradictions Among the People,” in February 1957.

Reading Notes on the Soviet Text Political Economy
1961-62

Introduction to Part II

Only by mobilizing and organizing the workers and peasants, who comprise 90 per cent of the population, is it possible to overthrow imperialism and feudalism.

Chairman Mao

The life of communists is struggle, not solace. Marx once replied to his daughter: what is happiness? It is struggle; years later Chairman Mao taught: to work is to struggle. We cling to all of this; our difficulties can be overcome because we are a new force with a bright future.

Chairman Gonzalo

The organization of the workers and peasants with a purely class character constitutes the object of our efforts and our propaganda.

José Carlos Mariátegui

The present document compiles a series of texts of the Communist Party of Peru in which one of the most important theses of Maoism, bureaucrat-capitalism, is dealt with, as well as how the CPP conceives the restructuring of the state and deals with other themes. It is key to fully understand bureaucrat-capitalism, since this will allow us at the same time to understand the character of society, as well as the road of the revolution to follow.

The document has no other objective than to provide theoretical guidelines that will allow us to apply Marxism-Leninism-Maoism to our concrete reality, and to clearly identify and analyze the existing social classes, as well as the system of government and the state system.

We hope that this compilation of texts will serve our people in the process of politicization, mobilization and organization on the road to raise their class consciousness and assume the transforming role that corresponds to them in history towards the construction of a society of new democracy, passing uninterruptedly to the socialist revolution, and through cultural revolutions to reach our golden goal: communism.

Center For Popular Studies
Bolivia, February 2006

Part II:

The Communist Party of Peru on Bureaucrat-Capitalism

2. BUREAUCRAT-CAPITALISM

This question is important for the comprehension of Peruvian society, and ignorance of it is the root of grave political errors. The thesis of bureaucrat-capitalism is found in the classics and in Mariátegui, although he used another term.

a. What do we mean by bureaucrat-capitalism?

This is the capitalism that imperialism promotes in a backwards country; the type of capitalism, the special form of capitalism, that is imposed by an imperialist country onto a backwards country, whether it is semi-feudal or semi-colonial. Let us analyze this historic process.

How did capitalism develop in the old European nations? Consider France; toward the end of the 18th Century it was a feudal country, with 20-22.000.000 peasants while workers numbered only around 600.000 (from which we can see the feudal passage it had); it was based on servitude of various forms. Nevertheless, within the feudal entrails of France new productive forms, of manufacturing, and capitalist forms were generated, and a class, the bourgeoisie, was gaining ever more force, more economic power, including political influence. We ask: Was France a nation subjugated by another? No. France was an absolute monarchy that contested with England for global hegemony, it was not oppressed by anyone. Its socio-economic and historical conditions had made it develop that way. Did imperialism exist in that era? No. Imperialism is of this century. What existed were countries undergoing capitalist development, like England for example,

and France was independently developing a capitalist society. Other countries followed the same path, and when they reached the 19th Century, France, England, Belgium, Holland, etc. were capitalist countries that developed independently.

What was the situation of Latin America in the 19th Century? When the emancipation of America began (1810), the nations of Europe were already powerful, whereas the Latin American ones had only recently begun to structure their nationalities, a problem that has not yet been concluded. Moreover, soon after becoming independent these nations fall under the domination of a power, namely England; thus their capitalism will develop under English domination, a kind of dependent capitalism. Thus, there is a well-known historical, economic, and political difference compared to the European process.

On another side, the bourgeoisies that develop in Latin America begin to link themselves more and more to the dominant country, in such a way that these weak bourgeoisies, instead of developing independently like the Europeans did, serving the national interests, they evolve as subjugated bourgeoisies, dependent, given over body and soul to the imperialist powers (England or the US) to the extent they even believe in converting themselves into rich men and developed intermediate bourgeoisies, as our history in this century shows.

This latter path is the one taken in Peru. As we have seen, in the second decade of this century Yankee imperialism supplanted English domination.

b. Three Lines Within Bureaucrat-capitalism

Bureaucrat-capitalism develops three lines within its process: a landlord line in the countryside, a bureaucratic one in industry, and a third, also bureaucratic, in the ideological

sphere. This is without pretending that that these are the only ones.

It introduces the landlord line in the countryside by way of expropriatory agrarian laws that do not aim to destroy the feudal landlord class and their property, but rather progressively evolve them by means of the purchase and payment of the land for the peasants. The bureaucratic line in industry aims at controlling and centralizing industrial production, commerce, etc., putting them ever more in the hands of monopoly with the goal of sponsoring a more rapid and systematic accumulation of capital, to the detriment of the working class and other workers, naturally, to the benefit of the biggest monopolies and consequently imperialism. In this process the forced saving which workers are subjected to plays an important role, as we can see in the industrial law. The bureaucratic line in ideology consists of the process of molding the people, by means of the massive diffusion, especially in political conceptions and ideas, that serve bureaucrat-capitalism. The general law of education is a concentrated expression of this line, and one of the constants of this line is its anti-Communism, its anti-Marxism, whether open or concealed.

These three lines form part of the bureaucratic path, which is opposed by the DEMOCRATIC PATH, the revolutionary road of the people. If the former defends feudal property, the latter proposes its destruction, and it opposes the buying of lands with confiscation; if the former recognizes and fortifies imperialist industrial property, the latter denies it and struggles for its confiscation; if the former fights to ideologically subjugate the people, the latter strives to arm them ideologically; if the former attacks Marxism, the latter upholds that we must guide ourselves by Marxism as the only scientific instrument to understand reality. They are thus two absolutely contrary paths. The history of the country in this century is a history of struggle between these two paths: the bureaucratic path, that is capitalism submitted to imperialism,

and the democratic path, the road of the working class, the peasantry, the petty bourgeoisie, and under certain circumstances, the national bourgeoisie. In order to understand bureaucrat-capitalism, it is very useful to study and analyze the decade of the 1960s, during which the process of the destruction of feudalism advanced more; in this period industry and capitalist relations in agriculture are strengthened. From another side, the class struggle developed greatly; the trade union movement, the peasant movement, and the student movement reached higher levels. Thus a strong trade union movement developed that in a particular moment took localities and bosses as hostages; the peasant movement also had a great apogee, in the second half of 1963 it ran from the center of the country to the south like a trail of gunpowder; and the student movement rose rapidly. In synthesis, the mass struggles have lived through great experiences in this period of political struggles.

Thus, party politics had a great apogee, on the one hand the reactionary political parties entered into grave difficulties and struggles leading up to the crisis of the so-called "representative democracy" in 1967 and 1968, and on the other the left developed a vigorous political life, within which it unleashed the struggle between Marxism and revisionism, which later re-took the path of Mariátegui as a condition to develop the revolution.

Another very important deed which is not sufficiently studied is the question of the guerrillas: in 1965 there was a outbreak of guerrilla warfare, including this zone. The guerrilla movement in the country is part of the national process. It is a primary question that must be highlighted because due to sectarianism, sometimes it is considered as simply the experience of an organization and it is not seen as the experience of the Peruvian people. It is a movement intimately linked to the political process of the country, developed according to petty bourgeois conceptions; it is a great

experience that needs to be analyzed from the point of view of the proletariat in order to draw fruitful lessons.

It is impossible to understand our situation and perspective since 1970 without understanding the concrete conditions of the 1960s. There is a good thing: in the last few years, the Peruvian intelligentsia begins to understand the necessity of studying the decade of the 1960s. Only by understanding this period will we be better armed ideologically, in order to understand the current situation.

The problem of bureaucrat-capitalism is important because it allows us to understand which is the dominant path that imperialism imposes on a backwards country, on a semi-feudal and semi-colonial country; by understanding this problem we will be armed and equipped to combat the thesis of the capitalist character of the country and its political derivations.

In order to conclude this theme, we will deal with the following: some maintain that to hold that bureaucrat-capitalism is in the country is to ignore its semi-feudal and semi-colonial character; they say it proposes that the nation is capitalist in a hidden manner. This is an error ignores the laws of social development of our country and of the backwards countries; precisely because bureaucrat-capitalism is no more than the path of imperialism in a semi-feudal and semi-colonial country and without semi-feudal and semi-colonial conditions there would be no bureaucrat-capitalism. Thus, to propose the existence of bureaucrat-capitalism is to propose as a premise that the country is semi-feudal and semi-colonial.

3. THE CONTEMPORARY SITUATION OF THE COUNTRY

a. The Conditions Under Which the Current Regime Grows

Under what conditions does the current regime arise? Let us go back to the end of the 1960s. What was happening?

Economic problems: in 1967 the currency devaluation, freezing of credits, etc. An economic crisis. On another side, the struggle of the masses was rising, strong worker and peasant struggles, and we saw daily that characteristics similar to those in the first year of the decade were beginning to present themselves; a future rise in the movement of the masses was within sight. In politics, confrontations and factionalizing between and within the political organizations of the ruling classes; the famous dispute between parliament and the executive. Furthermore, the elections drew near, creating the juncture for many of the nation's problems to be illuminated, even for the parties in dispute, because in their eagerness to get votes the "dragged out their dirty laundry". Ideologically our country had passed through a profound debate of ideas and this greatly clarified what is Marxism and what is revisionism. Furthermore the path of Mariátegui began to be retaken by applying Marxism to the concrete conditions of the country. Aside from the above we must highlight two situations:

1. The economic situation of the country, which is the development of bureaucrat-capitalism could no longer continue developing itself in the old way, urging its deepening. It needed to open a wider path so that this process in the form of imperialism would advance; with the previous forms it could not advance. We must not forget that for many years the agrarian problem was discussed, there were even agrarian laws: the Beltran project, the laws of Pérez Godoy and of Belaúnde. Another question: in the industrial problem the law of the second government of Prado was now insufficient and raised again the necessity of making industrial parks, give a priority to the state role in planning, etc. There is the plan of Belaúnde of 1967 to 1970 that stated the necessity of changing the social condition of the country in order to construct a "new society, national, democratic, and Christian". In conclusion, the process of bureaucrat-capitalism needed to deepen itself.

2. In the country there was the so-called “representative democracy”, but parliamentarism did not satisfy the needs of the exploiters; the popular masses advanced with relative ease putting the exploiting classes in difficult, although temporary, positions. Thus, they needed to substitute the representative modality, parliamentarism. Was this a typical case that only happened in our country? No. The decade of the 1960s implied the fragility of the so-called “regime of representative democracy” in Latin America, the crisis of parliamentarism, and consequently the need to substitute it for State modalities more efficient for reaction.

In synthesis, the economic necessities of deepening bureaucrat-capitalism and the fragility of parliamentarism, in the conditions indicated, presented the exploiting classes and imperialism with the necessity of a new political establishment for the country. Thus, the current regime arises from economic, social, and political necessities of deepening bureaucrat-capitalism.

On the National Question
1974

a) Class development and struggle in Peruvian society. Modern industry was developed in Peru from 1895 and completed in the decade of the 1920's, a decade demarcating the impetus of bureaucrat-capitalism under Yankee domination. This industrialization took place in a semi-feudal society whose economy developed increasingly subjected to North American imperialism, which displaced English domination. That way bureaucrat-capitalism implies development of our semi-colonial condition and underscores the entire development of Peruvian society. This understanding is vital to interpret the Peruvian class struggle in the 20th century.

[...]

But economic matters do not end here. He also analyzed the economy of the underdeveloped nations; he astutely analyzed the semi-feudal and semi-colonial condition of the Latin America countries, especially ours. He showed how industrialization in the backwards nations is tied to and develops as a function of the imperialist powers, in the case of Peru Yankee imperialism. He saw clearly how imperialism does not allow the backwards nations to develop a national economy nor independent industrialization; how on top of their semi-feudal base monopoly capitalism is installed, linked to the feudal landlords and generating a "mercantile bourgeoisie," a bourgeoisie controlled by imperialism for which it is the intermediate plunderer of national resources and the exploiters of the people. And he set forth the following thesis, which we must not forget, about the Latin American republics: "The economic condition of these republics is, without a doubt, semi-colonial; and to the same degree that capitalism grows, and consequently imperialist penetration, this aspect of their economy must grow even more acute." Have these theses been fulfilled? Even the most superfluous look at America factually corroborates the semi-colonial domination exerted by Yankee imperialism. For the rest, Mariátegui's theses on capitalism in the backward nations must be understood in relation with those of Mao Tse-tung, about bureaucrat-capitalism and appreciate them taking into account the specific conditions of Latin America.

[...]

Finally, on political economy, let's recall his thesis on corporativism: "In the degree to which the advancement of syndicalism enters a country, so too enters the progress of corporativism" and "the cooperative, within a system of free competition, and even with certain state support, is not opposed to, but on the contrary, quite useful to capitalist enterprises." Let's ask then, can corporativism develop, as it is pretended, simultaneously with an anti-union offensive and even more so when a corporatist unionism is being promoted?

In the age of imperialism, can corporativism serve, within a regime like ours, as anything else but a complement to bureaucrat-capitalism? In light of the ideas transcribed the answer obviously is: No! And let's bear in mind that corporativism can be of service to the working class and the people only when the proletariat has power in their hands. To finish this point, let's remember his teaching that imperialism develops the increasing state intervention in the economic process and that, representing and defending the bourgeoisie, it sees itself compelled even to carry out "nationalizations"; so the question is to see who has benefitted from the nationalizations, and that is decided by which class controls power. In light of this, who has benefitted from the nationalizations of the current government?

[...]

With respect to semi-colonialism, Mariátegui maintained that a country can be politically independent while its economy continues to be dominated by imperialism; Furthermore, he firmly maintained that South American countries like ours are "politically independent, economically colonized." And that situation continues to develop; our economy suffers growing and diversified imperialist and social-imperialist penetration, direct and indirect. The semi-colonial situation has been questioned in recent years, by affirming without proof that Peru has become a colony, since that is what is affirmed when one typifies the country as a "neo-colony"; and that affirmation reaches an extreme when it is proposed that we are a "neo-colony," but ruled by "a bourgeois reformist government."

The quoted paragraph proposed that capitalism develops in Peru, but it is a capitalism subjected to the control mainly of North American imperialism, not a capitalism that allows a national economy and independent industrialization; but quite the opposite, a capitalism subservient to the imperialist metropolis which does not tolerate a true national economy serving our nation, nor independent industrialization. Thus,

Mariátegui does not deny capitalist development in the country, but specifies our type of capitalism; capitalism in a semi-feudal country living in the age of monopolies and political reaction, a capitalism that while it develops it increases our semi-colonial condition; a capitalism engendering a comprador bourgeoisie linked to U.S. imperialism. In summary, a bureaucrat-capitalism from the viewpoint of Mao Tse-tung.

That is the valid and current understanding Mariátegui had about the character of Peruvian society. Later studies and research only confirmed and specified the accurate theses sustained by our founder.

[...]

b) Retaking Mariátegui's Road. The decade of the 1960's shook the international communist world with the struggle between Marxism-Leninism and revisionism, which had repercussions in our country, mainly the great works of Comrade Mao Tse-tung and the very important struggle waged by the Communist Party of China together with fraternal parties. Simultaneously, the 1960's in our country implied the sharpening of the class struggle and a great rise in the movement of the masses, especially of the peasantry. The country experienced the deepening of bureaucrat-capitalism, still going on; the workers carried out large strike movements and increased affiliation to their unions; the peasantry spontaneously carried forward, most of the time, conquering the land with their own actions and an unending wave of land occupations shook the entire country. The petty-bourgeoisie, especially teachers and students, became more and more involved in the people's struggles. At the same time, the demo-liberal parliamentary order entered a crisis, as in other parts of America, and its political parties, its reactionary political parties entered a fierce battle to gain positions and reap privileges. This confronted reaction with the need to fulfill two tasks: To deepen bureaucrat-capitalism, taking the State as the main economic leverage, and the corporate remodeling of Peruvian society so as to overcome the crisis of bourgeois parliamentarism.

These are the conditions and the cause of the rise of the current fascist regime and the tasks the exploiting classes and imperialism have charged it with fulfilling, when they saw the dangers of the questioning of their order entailed by the rise in the struggles of the masses, one chapter of which was the guerrilla struggle, which contained important future lessons for the people.

Let Us Retake Mariátegui and Reconstitute His Party
1975

II. The peasant movement and the national-democratic revolution.

The peasant struggle for land, which is an anti-feudal struggle, lays the foundations for the national-democratic revolution; this follows from the general laws of the class struggle of our revolution, laws systematized by Mariátegui as the General Political Line. Our society has a semi-colonial and semi-feudal character where the Peruvian people suffer the exploitation and oppression of imperialism, the feudal landlords and bureaucrat-capitalism; from here arises the need to overthrow these classes and sweep away their rule. The present stage of the revolution is situated in this: its content is demo-bourgeois, that does not go against the whole bourgeoisie but only against a part of it, the bureaucrat bourgeoisie, in addition to fighting the feudal landlords and imperialism.

Let us emphasize the role of bureaucrat-capitalism, which in its development makes the final conditions for the triumph of the national-democratic revolution mature. Mao teaches us that monopoly capital associated with the power of the state, as well as closely subjected and linked to imperialism and the landlords, forms a state of the comprador and feudal monopoly capital; in this way it reaches the peak of its

development and prepares “sufficient material conditions for the new-democratic revolution”, leaving the task of “*confiscating the land of the feudal class and handing it over to the peasants*” and “*confiscating monopoly capital*”. In our country a deepening of this bureaucrat-capitalism is developing, and the state monopoly capital is particularly elevated to being a lever of the economy, seeking to amass enormous capital and monopolize the vital arteries of the economy. All of which necessarily leads to the same conclusions that Mao Tse-tung points out about the national-democratic revolution and the peasant war. On the extent the peasant problem and the problem of war are intimately linked as absolute conditions of the bourgeois-democratic revolution, Mao Tse-tung establishes in analyzing the Chinese revolution:

“Thus, there are two basic specific features in the Chinese bourgeois-democratic revolution: (1) the proletariat either establishes a revolutionary national united front with the bourgeoisie, or is forced to break it up; and (2) armed struggle is the principal form of the revolution. Here we do not describe the Party’s relations with the peasantry and the urban petty bourgeoisie as a basic specific feature, first, because these relations are in principle the same as those which confront Communist Parties all over the world, and secondly, because armed struggle in China is, in essence, peasant war and the Party’s relations with the peasantry and its close relations with the peasant war are one and the same thing.” (“Introducing ‘The Communist’”).

It is thus very clear that the armed struggle that we have to carry out is an agrarian revolution carried out by the peasantry under the leadership of the proletariat, which constitutes a constant, as the natural means of the revolution. If the war has not yet been unleashed, everything must serve to prepare it and, once it begins, everything must serve to develop it.

[...]

III. The struggle for land

The bureaucratic path. For centuries feudal oppression has manifested itself in the fact that land ownership is concentrated in the hands of a few landlords, while millions of peasants do not own any land, or if they do, it is very little. Thus, on this gigantic concentration of land, cruelly usurped by the feudal class, a system of servitude is established. This system, under different modalities (free labor, payment in yield or money), allows the feudal landlord class to live as a parasite in luxury at the expense of the misery and unlimited oppression of the peasants, thus plunging our entire people into backwardness and hunger. Big landownership and serfdom have thus been maintained, over several centuries, as pillars of the social, political and economic organization of Peru.

The landlord economy is evolved in a very slow and prolonged process towards a capitalist form following the bureaucratic path that consists of introducing capitalist techniques and modalities while maintaining the large agrarian property and safeguarding the power of the feudal landlord class. By this path the landlord economy is evolved internally, and instead of liberating the peasant, it takes full advantage of the exploitation of free labor and other feudal modalities to achieve an accelerated accumulation of capital. The peasant suffers painfully from this long process of transformation, in which his labor and his goods are sucked away, he is deprived of his few lands and is even thrown out of the countryside. The latifundia and serfdom are maintained, hidden under new names (CAP, SAIS, "Social Property", "communal work", etc.) [1], and become more closely linked to bureaucrat-capitalism and State power.

Mariátegui explains this process with the following words:

"Capitalism, as an economic and political system, proves incapable, in Latin America, of building an economy emancipated from the feudal tares. The prejudice of the

inferiority of the indigenous race, allows him a maximum exploitation of the work of this race; and he is not willing to give up this advantage, from which he gets so many benefits. In agriculture, the establishment of the wage-earner, the adoption of the machine, do not erase the feudal character of the great property. They simply perfect the system of exploitation of the land and of the peasant masses".[2]

The peasant problem cannot be separated from the national problem. Already Mariátegui told us "The problem of the Indians is the problem of three quarters of the population of Peru. It is the problem of the majority. It is the problem of nationality". [3] The struggle against imperialism has its basis in the struggle of the peasantry, in the semi-feudal struggle. To separate the two is to fall into a false rationalism.

[...]

V. The path of reaction

In our country reaction is developing a bureaucratic path which, in essence, develops imperialist and feudal domination, and on these two pillars it develops bureaucrat-capitalism.

This path has been firmly opposed by the people from the beginning and has been presented with a series of difficulties to advance. In the 1960s, the peasantry rose up and dragged the entire people into a revolutionary upsurge that put reaction in serious trouble and questioned its power. From this, reaction drew two conclusions: *1) to deepen bureaucrat-capitalism and 2) to corporatize Peruvian society.*

It was in this spirit that the fascist regime emerged as a pilot and preventive plan aimed at crushing the People's War. One of the main measures taken was the agrarian law which consisted of the maintenance and development of large property based on new forms of free labor. This is the bureaucratic path in the countryside and not "socialization" as some say.

Faced with the difficulties that this measure encounters due to the opposition of the peasantry, the general corporate readjustment undertaken two years ago by the fascist regime, seeks to ensure its objectives through “bringing capitalism to the countryside”, and through a frantic exploitation of the peasants to achieve its desired “accelerated accumulation of capital”. On the 7th. Anniversary of the Agrarian Law (June 1976), the Minister of Agriculture announced that “all institutions, both the public and private sectors, must concur in this great mobilization to transform the Peruvian countryside into the fastest and most powerful wheel that will make our country move towards development”.

In reality, with these measures, with bringing bureaucrat-capitalism to the countryside, they will make the countryside walk on the road to revolution. Engels has long made this problem clear: “Its realisation is seen to be the transformation of all the small rural house owners into industrial domestic workers; the destruction of the old isolation and with it the destruction of the political insignificance of the small peasants who would be dragged into the “social whirlpool”; the extension of the industrial revolution over the rural areas and thus the transformation of the most stable and conservative class of the population into a revolutionary hotbed; and, as the culmination of the whole process, the expropriation by machinery of the peasants engaged in home industry, driving them forcibly into insurrection”.^[4]

1. CAP: Agrarian Production Cooperatives. SAIS: Agriculture Societies of Social Interest. Both are institutions established by the fascist Velasco regime with the agrarian reform of 1969 in order to corporatize the countryside.

2. “The Problem of Races in Latin America”, Ideology and Politics.

3. “The Primary Problem of Peru”, Peruanize Peru.

4. “1887 Preface to the Second German Edition”, The Housing Question.

II. THE CURRENT PERIOD

This problem requires the analysis of two issues: The economic situation and crisis in the country, and the third restructuring of the Peruvian State.

THE ECONOMIC SITUATION AND CRISIS

After the Second World War, the development of bureaucrat-capitalism was increased. This type of capitalism can be traced to the end of the last century. The expansion of bureaucrat-capitalism is more considerable in the 1960's, especially after October of 1968, with the current regime which is based on the problem of the peasantry. To this end, it carried out the more extensive and profound evolution of feudal landowning property. As a result, there is a greater concentration of the property land, the preservation of servile forms of exploitation, bureaucratic management systems and direct control by the State over territorial rents. Thus, the State lays the roots for bureaucrat-capitalism in the countryside.

In synthesis, the expansion of bureaucrat-capitalism aims at the process of industrialization and generates, an industry more dependent on imperialism (mainly Yankee), as well as greater participation by the State, especially in those industries which are considered basic and extractive. Thus, the State becomes the motor that sustains the economic process, and plays a principal role in banking, finance, including trade.

In this manner, the expansion of bureaucrat-capitalism is the continuation of the capitalist process already pointed out by Mariátegui: a capitalism subject to the domination of Yankee imperialism and linked to feudalism. It is this process and expansion (profundización) that have generated the current

crisis Peruvian society is going through, which is aggravated by the world crisis.

The crisis, in essence, is the result of the expansion of the capitalist development in a semi-feudal and semi-colonial country. It is not the result of the destruction of semi-feudalism but of its evolution, and it is not the result of freeing the country from imperialist domination, mainly Yankee, but the development of semi-colonialism. Therefore, after three years of economic measures aimed at ending the crisis, we now see ourselves in the midst of a deep crisis whose end is not foreseen or expected in 1980. The following data helps us visualize the economic situation:

Land Distribution, Comparison Between 1961-1972				
Area in hectares (Has.)	Total Units (1961)		Total Units (1972)	
1 hectare=2.47 acres	% Of farms	% Of Has.	% Of farms	% Of Has.
A less than 5 Has.	83.2	5.5	77.9	6.6
less than 1	34.2	0.6	34.7	0.8
1-5	49.0	4.9	43.2	5.8
B 5-20	12.6	4.7	16.7	8.7
C 20-100	2.9	5.2	4.3	9.3
D more than 100	1.3	84.6	1.1	75.4
100-500	0.9	8.7	0.8	9.1
500-1000	0.2	6.2	0.1	4.6
1000-2500	0.1	8.8	0.1	7.4
more than 2500	0.1	60.9	1.1	54.3

A = very small properties (minifundio)

B = family units

C = medium size properties

D = large and very large properties (latifundio)

If we add the agrarian debt of tens of thousands of soles, 68% of which total is payable to the landlords, 24% of which is payment for credits due to the bankers, and 8% of which

is bureaucratic expense; and if we bear in mind that the State has extracted 6.473 billion soles for real estate taxes from the production of agrarian cooperatives in the five-year period 1971-1975, of which 3,639 billion, more than 50% was taken in 1975, can anyone then speak of the old semi-feudal system as having been destroyed? Can anyone really claim to have broken the backbone of the “oligarchy?” Isn’t it clear who benefits and who is protected by the agrarian law? But let’s see other data:

	1974	1975	1976	1977
Rate of Growth (GNP)	6.9	3.3	3.0	-0.2
% Increase of prices in Lima	16.9	23.6	33.5	39.0
Government Deficit (billions of soles)	- 14.09	- 30.591	- 48.432	- 38.2

GNP: Gross National Product

On these tables, recession and inflation are seen very clearly. They also show the diminished production and rise in prices that whip the Peruvian economy, as well as the serious situation of the State budget. But let’s point out, that while wages were multiplied by four from 1968 to 1976, profits for enterprises or businesses were multiplied by seven in the same period. And if we add the evolution of wages and salaries, based on the indices of actual remuneration for metropolitan Lima (since there are no other), wages were 100 soles in 1968, by December of 1977, had been reduced to 72.23 soles, and it is foreseen that by December of 1978 they will be reduced to 52.29 soles, whereas the salaries that was 100 soles in 1968, in December of 1977 was reduced to 86.95, and it is predicted that by December of 1978 they will be reduced to 60.70 soles. These figures are enough to see the situation in which the economic production develops, who benefits from it and whom it hits, and the above does not take into consideration the bankruptcies, factory closings, layoffs,

etc.; which added onto the above show the serious crisis and the ongoing process of greater concentration of capital for the benefit of the landlords, the big capitalists and imperialism.

To complete this trend, let's see the problem of the foreign debt and the real value of the sol, which shows clearly, the domain of imperialism and the dispute between the superpowers. Remember that in September of 1975 exchange was established at 45 soles to a dollar, in June of 1976 it went down to 65, then came the mini-devaluations that ended in 80 soles to a dollar by September of 1977; and from October of that year came on floating, which raised the exchange to 130, in December, and now, to speculation paying 180 soles per dollar in money order certificates, although the official exchange value did not vary; a situation intimately linked to the International Monetary Fund controlled by the United States. According to official figures, in 1968, the country's foreign debt was 737 million dollars, but by 1977 it was 4.17 billion dollars, a sum that forced the use of up to 41% of exports to cancel off interest payments of the debt in 1977. The foreign debt is one of the hottest problems today and from this we can see how the superpowers contend in our country, as can also be seen by the Yankee concern that their loans are not used to pay the Soviet Social Imperialist creditors to our country, especially for the sale of weapons; as well as for Soviet maneuvers on the renegotiation of the debt with Peru, and using it as leverage to take positions. This is clearly seen in the campaign of the revisionist newspaper "Unidad" and others who exalt the Soviet social-imperialist "kindness" and "understanding."

These facts, on the agrarian problem, especially the industrial economic production and the rule of imperialism and the quarrel of the superpowers, are stunning proof of the expansion (profundizacion) of bureaucrat-capitalism, the evolution of semi-feudalism and the development of our semi-colonial condition; of serious crisis the first one throws us in, and

shows the current situation and the perspective which forces the specialized economic publication to say that, “the forecasts for this year, 1978, are even more nefarious.”

In 10 years, what economic direction has the government followed? In general lines, in 1969 and 1970 they prepared conditions for their plans. Then they applied the 1971-75 economic-social plan aiming at accumulating capital. This was canceled in its last year because the difficulties had already begun, the 1975-78 plan was approved aimed of a greater accumulation of capital. It was a plan that in its first two years sought the control of the crisis but without achieving it. In 1977, the Tupac Amaru Plan was approved, which applied the modifications proposed by the President in March of 1976, a plan to extend until 1980, on which date the crisis was supposed to be over. During this period the State fulfilled a main role, as the driving force in the economic process, and developed the State's monopoly. However, in the last few years, the need to reinvigorate the private economic activity was proposed, and in the imperialist order within which our country and the State operate, it prepares conditions for future development of the monopoly production of imperialism and the big bourgeoisie associated with it.

What is being proposed today for the country's economic process? Concretely, that the non-state monopoly, or private sector, is the motor reinvigorating the economy, so that the expropriation, or “privatization,” of the great means of production which the State has been managing and concentrating, especially in the last ten years, and the greater concentration of property derived from the crisis; as well as the establishing of new forms incrementing the exploitation of the labor forces, to restrict or cancel the benefits, rights and conquests of the masses, as usually happens in every economic crisis, and it is a condition to contain and overcome the crisis. This the economic period in which we now evolve, a period that in the short-term benefits imperialism, the exploiting classes and their government in two important problems:

a) The financial problem, now centered in the foreign debt. This will demand to take other measures besides the ones already taken.

b) the economic problem, taken as the productive process, which demands an economic plan which has already been announced and is closely linked to the ongoing electoral process and to the “social pact for the national salvation” that is being elaborated; between these two questions, the second one is more important, since the first for the most part has already been defined, while the second is more complex and has a long term effect in perspective.

ABOUT THE THIRD RESTRUCTURING OF THE PERUVIAN STATE. The bureaucrat bourgeoisie was developed during the Second World War, and it aims at leading the State. Its presence was notorious in the governments of Bustamante and Belaunde, especially the latter; however, only recently, in October of 68 it was when it assumed the leadership of the State, that is it assumed the reins of government through the armed forces, displacing the comprador bourgeoisie, who since the 1920's had been enthroned as the leading class in the reactionary camp.

Under what conditions did this promotion take place? It takes place amidst the crisis of the so-called representative democracy. The Peruvian State was organized as a formal bourgeois democracy, systematically, with the Constitution of 1920, under the leadership of the comprador or “mercantile” bourgeoisie, as Mariategui called it. This helped develop bureaucrat-capitalism, which is a process that consolidating its Power through the “Oncenio” de Leguia, under the mantle of Yankee imperialism. However, the 1929-1934 crisis and the development of the class struggle, mainly by the proletariat, with the founding of the Communist Party, generated a period of upheaval in our contemporary history. Also, during this period the elections of 1931 took place, which drafted the current Constitution still in force (at least in words.)

The constitution of 1933 has the characteristics that Karl Marx masterfully pointed out:

a) While it recognizes the demo-bourgeois type rights and liberties, each article sanctioning them contains its own contradiction, that is, the same time that rights and freedoms are stipulated, they are lawfully restricted. The following samples suffice and it's precisely one of the examples given by Marx, Art. 62 reads: "All persons have the right to assemble peacefully and without weapons, without compromising the public order. The law will regulate the exercise of the right to assemble."

b) It shows the contradiction between the Executive Power and the Legislative Power, and while in its words, the latter attempts to tie down the former, in the legislative facts the Executive has been imposing itself more and more, reflecting the development process of the bourgeois State, which inevitably strengthens the Executive Power as well as its principal support, the army.

c) Finally, it was born under the protection of the bayonets which brought to the world to it, and questioned its current validity whenever the interests of the State demanded it. As these matters are foreseen, they will be found again in the new Constitution and its debates, but on the base of the contradiction between representative democracy and corporativism.

After 1945, all these constitutional contradictions sharpened with the struggle between the comprador bourgeoisie and the bureaucrat bourgeoisie and more by the increasing development of the force of the people and of the working class. During the government of Bustamante, the contradiction Parliament-Executive sharpened, and the President himself had to propose the need for a new Constitution. The problem surfaced again during the Belaunde government and there were many disputes about a referendum and reform of the Constitution, which in 1965 took Popular Action to draft and introduced a bill about the functional Senate, a

corporatist modality established by article 89 of the Constitution, but never implemented up to this day, since even the Popular Action's bill was rejected by the APRA-Odria coalition. This direction, on the base of deepening bureaucrat-capitalism, and the contradiction in the midst of the big bourgeoisie between the comprador and bureaucrat factions and, above all, the development of the proletariat (its return to Marxism-Leninism-Maoism-Mao Tse-tung Thought and the Road of Mariátegui), and the upsurge of the people's movement, mainly the great surge of the peasants movement which shook Peruvian society profoundly, and the 1965 guerrilla struggles, which provoked the crisis of representative democracy (a similar problem occurring in contemporary Latin America).

Under these circumstances the armed forces took over the leadership of the State in function, mainly the interests of the bureaucrat bourgeoisie, with two tasks to fulfill: the first one, to carry forward the expansion of bureaucrat-capitalism and, second, to reorganize Peruvian society. That is how the current regime began, guided by a fascist political conception, developing the corporativization of the Peruvian Society, which is a process that is taking place through the following three phases:

1. Bases and development of the corporativization, in which all past practices are questioned, labeled as the old "pre-revolutionary" order, the bases of organization are set and the so-called "ideological bases" are established. This lasted all the way to 1975.

2. General corporative readjustment, and evaluation of its successes and problems so as to consolidate positions and advance toward the Corporative State, presented as a "social democracy with full participation." That began with the replacement of Velasco by Morales Bermudez, August 1975.

3. Third restructuring of the Peruvian State, from July 1977 to the present, and the establishing of a political timetable with elections for a Constituent Assembly, approval of a

constitutional charter which must “institutionalize the structural transformations carried on since October 3, 1968” and must carry out the general elections, according to the Tupac Amaru Plan, until 1980.

So here we have, in general terms, the corporativization followed in ten years. How has the contradiction between bureaucrat bourgeoisies and the proletariat developed in this decade? The bureaucrat bourgeoisie heads the counterrevolutionary camp, and it commands the feudal landlords and the comprador bourgeoisie, and it is linked to imperialism, mainly Yankee imperialism, although in the last decade social-imperialism began its penetration, and established links precisely with the bureaucrat bourgeoisie. The people’s camp has a center: the proletariat, the only class capable of leading them, provided it can develop its vanguard and in fact lead the armed struggle. Thus, it will be able to forge the worker-peasant alliance as its great ally, to win over the petty-bourgeoisie as a sure ally and, under certain conditions and circumstances, to unite even with the national bourgeoisie.

In the first stage of corporativization, the bureaucrat bourgeoisie managed to isolate the proletariat, and even to partially tie it down, presenting itself as a progressive force and as a “revolutionary” with the support of opportunism, mainly the social-corporativist revisionism of “Unidad”.

In the second stage, the general readjustment of corporativism, the influence of the bureaucrat bourgeoisie in State affairs began to decrease, its mask fell, and it shed its disguises making it more difficult for opportunism to tie down the proletariat to the tail of its enemy.

The third stage of corporativization was the restructuring of the State, in which the contradiction between bureaucrat bourgeoisie and proletariat became sharper again in its antagonism. Both contending classes began to polarize its positions more, one against the other, and consequently the proletariat acquires a greater dimension, as the only leading class of the revolution of new democracy.

What is the period that we now live? Since 1977, we live in a political period which will last four or five years characterized by the third restructuring of the Peruvian State in the 20th century, and by the development of the struggle of the popular masses in preparation for the launching of the armed struggle. This is a period that occurred in the second moment of the contemporary history of the country, that is, from the Second World War to the present; a period in which bureaucrat-capitalism deepens and the corporativization develops under the leadership of the bureaucrat bourgeoisie; a moment in which, on the other hand, the conditions for the democratic revolution mature and this begins to define it by the force of arms in order to create a State of new democracy.

But what is the immediate situation of the political period that we now live in? To imperialism, to the exploiting classes and the bureaucrat bourgeoisie leading the process, two matters arise: first, to carry on elections for the Constituent Assembly, and second, to open up the road to materialize the third restructuring of the Peruvian State. The second, is the principal one because it is more complex and has future implications, and from which the bureaucrat bourgeoisie expects to consolidate its leadership role. On the other hand, the first task has the support of most of the political parties, who see in the Constituent their revival and perspective. To the people, the ones exploited and the proletariat, what is being proposed is that they do not allow themselves to be tied to the electioneering process, which opens the door to the restructuring of the State, and to develop the growing popular protest to mobilize, to politicize and to organize the masses, especially the peasantry. This second aspect is the most important one.

III. POLITICAL SITUATION AND THE PEOPLE'S ROAD

In order to analyze the elections and orient ourselves correctly, we need to keep in mind the fundamental issues arisen from it, and the current situation. If not, we run the risk of sliding toward the opportunist swamp. We reiterate, the Constituent Assembly elections are the real beginning of the third restructuring of the Peruvian State by the bureaucrat bourgeoisie, and the ones who will struggle most to carry the corporativization forward as much they are able to, aiming at establishing themselves as the leading class of the exploiters. The ongoing State restructuring is a consequence of the expansion of bureaucrat-capitalism and the corporativization of Peruvian society and the elections are in fact its beginnings. They are a preamble to “institutionalize the structural transformations” whose consequences for the people are in sight. Well then, the Constituent Assembly elections help first and foremost the bureaucrat bourgeoisie. That is our main concern. This is the starting point in taking a position with regards to the ongoing electoral process; and in doing it that way, we, and those who follow Marxism-Leninism-Mao Tse-tung Thought, those who really follow the road of Mariátegui and who are at the service of the proletariat and the people, cannot fail to take into account this basic question and must judge it from the position of the working class, in function of the Peruvian revolution.

Against Constitutional Illusions, For the State of New Democracy
April 1978

Chairman Mao Tse-tung uses the term objective situation to analyze the revolutionary situation or the objective conditions of the revolution and their development in backward countries, that is, semi-feudal and semi-colonial. He starts off from the need to penetrate to the essence of things and not stay with simple appearances. To him, the main thing is to consider the semi-feudal base and imperialist oppression of

the backward countries. Under these conditions, the revolution is democratic, that is, anti-feudal and anti-imperialist, whose development demands the armed struggle from the countryside to the city through revolutionary support bases as the New State, which begins to emerge and simultaneously, the old bureaucratic landowning reactionary State is being destroyed. This is fundamental in understanding the specific conditions that the revolutionary situation has in a semi-feudal and semi-colonial society, and the development of these societies.

Chairman Mao Tse-tung establishes the conditions that conform to the objective situation and also the contradictions that exist, and from which the road of the revolution derives, which in essence is the armed struggle, and the inevitable triumph of the revolution. As stated in point four of his work, "A Single Spark Can Start a Prairie Fire," he highlights the following points and contradictions:

- 1) On the international level, he discusses the development of the contradiction between the imperialist countries. Evidently, it has increased between the two superpowers, Yankee imperialism and Soviet social-imperialism. These contradictions have an impact on our country as contradictions in the midst of the exploiters, mainly the big bourgeoisie, as we have seen lately in its two factions: the bureaucrat bourgeoisie and the comprador bourgeoisie, which far from ameliorating, will develop further.

- 2) He also illustrates the contradiction between the reactionary rulers and the great masses of taxpayers. The growing state apparatus necessarily ends up raising taxes, which fall upon the masses of the people and, besides, the state economy develops amidst constant budgetary crises. The procedure that is being followed under the current regime and the situation today proves this. In addition, the masses of people are the ones, who through indirect taxation, support the state expenditures more and more; a situation which is getting worse and will continue to worsen.

3) Contradiction between imperialism and national industry. In the country this contradiction is evident; the national industry is increasingly subject to imperialist domination and access to markets is more restricted every day. On the other hand, the aggression by foreign imports (e.g., commodities) handled by imperialism, restricts the development of the national industry, and the financial impositions of imperialism, sinks it into an economic recession, which is worsened by the worldwide crisis. As Mariátegui said, imperialism does not allow the development of a national industry.

4) Contradiction between the bourgeoisie and the working class. The capitalists, “trying to elude the crisis and solve their problems deepen the exploitation of the workers, who in turn oppose and resist these measures.” This statement of fact by Chairman Mao is proven to satiety every day among us. We see today the profound crisis the country has been suffering in the last few years. In synthesis, we see how brutally salaries have been cut. The workday has been increased and harsh working conditions have been imposed so as to safeguard entrepreneurial profits. Furthermore, we see the resistance of the proletariat through the persistent strike struggle, even when faced with all sorts of persecution and repression, suspension of constitutional guarantees and a state of emergency.

5) Further deepening of the contradiction between the landowning class and the peasantry. In the country, the State has assumed collection of land rents through the agrarian debt, imperialist investment mainly through the agrarian bank and control of the entire system of associations (cooperatives, SAIS, etc.) in agricultural production and, besides, it maintains servile forms of production, and is included in the old landlords feudal exploitation. In this way, the situation of the peasantry has worsened by the evolution of feudalism resulting from the agrarian law, and the penetration of bureaucrat-capitalism into the countryside.

6) Merchants in national commodities and independent producers see themselves pushed more and more toward

bankruptcy. Today, the economic crisis clearly shows the validity of this premise. It suffices to recall the situation of bankruptcy confronted by the small industrial producers and small merchants, as well as small miners. We must highlight the serious situation faced by the ambulatory merchants who are affected by a brutal repression, and much repression falls upon them. But the crises hit the medium producers as well.

7) The reactionary government increases its troops without limits. Throughout the country the development and reinforcement of the reactionary armed and police force is evident, both in size of contingents and in weaponry. This is shown by the creation of new repressive bodies of the state and the widening of their functions, and the greater control they exert over society. Inevitably, this process will develop further.

8) Hunger and banditry extends throughout the country. The popular masses of Peru suffer chronic hunger, but today, the crisis is even worse. The masses, the peasantry, especially the poor peasants, has absolutely nothing to feed themselves, and hunger is paired with sickness, which mostly affects infants and youth. Criminality increases more and more and cow-thievery (*abigeato*) grow in the countryside protected by the authorities themselves.

9) The majority of the peasants' masses and the poor in the cities find themselves in a situation in which they are barely able to survive. This comparison, which Chairman Mao made in China is also a cruel reality that prevails among us, misery entrenches itself more and more amidst the popular masses of our nation.

10) Because of the lack of budget funds, many students fear that they will not be able to continue their studies. This is also a reality for the country, as the educational budget as well as the health budget is cut. The education sector is faced with a profound financial crisis. As a result, many students do not study for lack schools or drop school in large numbers because they don't have the resources available to them.

11) Due to the backward character of production, many graduating students have no hope of finding employment in their vocation or academic field, and thousands of them have to work in anything they can.

That is how Chairman Mao Tse-tung analyzes the revolutionary situation in the backward countries. In analyzing the contradictions present in the objective situation, he finds the material base that sustains armed struggle, its development and victory. From the above, we can see how in our country, we have a similar objective situation and how the same contradictions develop. This is a fact that nobody can deny. These are contradictions that are developing, and in no way can they be resolved by a reactionary government. Furthermore, we all know that these contradictions are not being resolved, but continue to sharpen, so the objective situation in our country is and will be each time more propitious to the development of revolution, and to the development of a superior form, the armed struggle. Consequently, the most important matter that concerns all of us is to start the armed struggle. This is an unavoidable perspective that our country has. What other road can we follow in Peru? What other hopes can our popular masses and the proletariat have? Chairman Mao Tse-tung stated the following as he concluded his analysis:

“Once we understand all these contradictions, we shall see in what a desperate situation, in what a chaotic state, China finds herself. We shall also see that the high tide of revolution against the imperialists, the warlords and the landlords is inevitable, and will come very soon. All China is littered with dry faggots which will soon be aflame. “ Since our country follows the same laws of revolution, has a similar experience and the same perspective, can we think in any other way? No, not at all.

Chairman Mao Tse-tung established a brilliant distinction between a developing revolutionary situation and a stationary, revolutionary situation, as can be seen in point three of

chapter II of his work, "Why is it that Red Political Power Can Exist in China?" He stated that in a semi-feudal and semicolonial country such as ours, there is always a revolutionary situation, or objective situation as he calls it, for the development of an armed struggle, however this occurs in two forms: 1) a stationary revolutionary situation and, 2) a revolutionary situation in development.

By analyzing his theses, we are able to say that a stationary revolutionary situation can be transformed into a developing revolutionary situation, by the action of the subjective conditions on the objective condition; that is very important to keep in mind. In addition, we must be able to differentiate between uneven development and revolutionary situation and take into account, that the latter can occur in a region, and then the revolution may spread to the entire country, or it can even begin by a general retreat of the revolution, as was shown by the autumn harvest uprising of August 1927 in China.

TODAY WE LIVE IN A REVOLUTIONARY SITUATION IN DEVELOPMENT

The analysis of our national reality, based on the application of the theses of Lenin and Mao, which is Marxism-Leninism-Mao Tse-tung Thought, draws the following conclusions: 1) Our country meets the two conditions about the existence of a revolutionary situation set forth by Lenin. 2) Our country shows the objective situation which Mao analyzed as a contradiction. 3) In order to understand our situation, it is fundamental that we keep in mind the difference between a stationary revolutionary situation, and a developing revolutionary situation. 4) Based on the analysis of the theses of Lenin and Mao, and their application to our reality, we conclude that we are living in a developing revolutionary situation. This is expressed by the growing popular protest which

is developing among us, and is being fueled by the crisis that we have been living in for years.

Thus, if we base ourselves on Marxism-Leninism-Mao Tse-tung Thought, and analyze the concrete reality of the Peruvian revolution, we have to conclude that we live in a developing revolutionary situation and, consequently, all strategy, tactics and political actions must be based on that fact, if not, we would be grossly mistaken. In synthesis, the class struggle, the antagonistic contention between revolution and counterrevolution, can only be seen accurately and correctly, and applied firmly and decisively, if we start from the recognition that there is a developing revolutionary situation. It is from this recognition that the proletariat, the Party, and the revolutionaries in the country will be able to judge the current political situation, and then establish the correct tactics.

Develop the Growing People's Protest
September 1979

What is the current situation of the reactionary forces? The former military government, which lasted twelve years, came to power with two goals to achieve:

1. to strengthen bureaucrat-capitalism, and
2. to reorganize Peruvian society.

To complete the first task, it took as the driven force the state-controlled economy. In order to fulfill the second task, the government was guided by a fascist political outlook and promoted the reorganization of society along corporate lines. In its first phase it made advances in obtaining its objectives, but the economic crisis generated by itself, and especially the persistent struggle of the masses, forced the military government to reexamine its objectives and limit itself to a general readjustment of its plan to subsequently proceed with the corporate reorganization in order to institutionalize those changes that they had set out from the beginning, and,

moreover, to proceed to a future transfer of state power. Nevertheless, the deepening of the economic crisis and the intensification of the class struggle cut short their goals, and the new constitution, thus representing the third reorganization of the Peruvian state in this century did not achieve the molding of a corporate Peruvian society. It only allowed for the strengthening of executive power at the expense of the parliament, and a greater participation of the armed forces in the running of the state. As a corollary to the military measures, two elections were held, the elections for the constituent assembly and the general elections of 1980. In both, voter turnouts declined, part of a trend common throughout Latin America, showing a loss of faith in elections and government.

Under these conditions, Belaunde took over the government, and today, more than one and a half years since his term began, the economic crisis continues, the publicized resurgence of the economy is nowhere in sight, a persistent, growing inflation continues to pound any economic advance, and the budget deficits, the very basis of the government's measures, increase uncontrollably, gravely threatening an increasingly battered Peruvian economy. Imperialist domination sinks its nails deeper in our country, taking over more and more of our natural resources, especially oil, extending its grip into the peasant's areas, and broadening its control over the country's commerce and finance. The so-called "agrarian reform" has been concluded.

The electoral opportunists join the chorus of those claiming that the land problem is ended and resolved. They try to fool the peasants with the botched "farming and cattle-raising programs" at the same time as they advocate the development of the "associative property" to cover up the return of the big landlords to promote bureaucrat capitalism in agriculture under the control of the big banks and with the direct participation of Yankee imperialism. The proletariat and people are burdened with growing unemployment and declining

wages while working conditions deteriorate and prior gains are negated or threatened every day, such as the right to strike. The petty bourgeoisie suffers increasing pauperization, the intellectuals in particular are thwarted and the people in general face hunger while the new reactionary government tries to subjugate them even more. The national bourgeoisie and medium-sized capitalists see growing restrictions on their businesses, suffering also the consequences of the government's intensified undermining of national industry. Meanwhile, in the very bosom of the big bourgeoisie, a sharp struggle between the bureaucratic and comprador factions, and even within these factions is taking place over who will reap the most profits or benefits.

In sum, then, guided by an orientation that sees developing big monopoly, mainly Yankee capital, as the motor of economic development, the present government aims at further developing the subjugating semifeudal structure, that still rules the country, for the direct benefit of the old and new type landlords and the old type rich peasants. The current government undermines the basic industrial structure of the country in order to direct even more the economic trend toward extraction and production, particularly mining and petroleum. And now, it transfers and seeks to auction off the state enterprises, those which the former government had concentrated in the hands of the state at the cost of a staggering public debt placed on the backs of the people. Thus, preparing a succulent offering to the insatiable appetite of big capitalists, particularly imperialist capital. The current reactionary government, whose head, prime mover, and most responsible representative is Belaunde, is as servile as any before it in its eagerness to build up bureaucrat capital (big monopoly capital, vassals to the feudal landlords and subjugated to imperialism) principally to the benefit of big monopoly capital, especially big banking and finance capital under the asphyxiating and ever widening expansion of U.S. imperialism. But even if this is the outline and scheme of the

government, the same complex conflict of interests among the exploiters, the persistent and deepening crisis, and even more, the class struggle which sharpens day by days does not allow the government to overcome its present difficulties, a crucial matter in order to organize and work out a coherent plan based on the clear and defined program that the ruling order loudly demands.

Let's Develop the Guerrilla Warfare
September 1981

Contemporary Peruvian society is in general crisis. This society, whose trajectory began toward the end of the XIX century, is gravely ill and is incurable. It can only be transformed through the armed struggle, which the Communist Party of Peru is doing it today, leading the Peruvian people. There is no other solution.

The fact is that Peru today is a semifeudal and semicolonial society in which a bureaucrat-capitalism is developing, a delayed capitalism linked to the big landlords. interests and which, consequently, in no way seeks the destruction of semifeudal conditions but at most seeks its evolution. What is more important, it is a type of capitalism completely subjugated to imperialism, in our case principally Yankee imperialism, and therefore, does not develop the great potential of the productive forces of our country. Furthermore, it wastes, shackles, or destroys the productive forces and in no way develops a national economy. On the contrary, it is completely at the service of imperialism's increasing exploitation and is totally against the national interests of the majority of the population, and the basic and urgent needs of our people.

Thus, the modern Peruvian economy was born deformed and ill at its roots. It was born intrinsically tied to the archaic semifeudal system which, despite the regimes' bragged-about "agrarian reforms," continues to exist and characterizes the

country from its most basic foundations to its most elaborate ideas. This situation maintains, in essence, the great land problem, the driven force of the peasants' class struggle, especially the poor peasants that made up the immense majority. Moreover, the Peruvian economy was born subjugated by imperialism, the last phase of capitalism, masterfully characterized as monopolistic, parasitic, and moribund.

Although this imperialism allows our political independence, as long as it serves imperialist interests, controls the entire Peruvian economic process: our natural resources, export products, industry, banking and finance, etc. In sum, it sucks the blood of our people, devours the energy of our national development, and today, especially, it squeezes us through the huge interests of the foreign debt, just as it does other oppressed nations.

Therefore, the modern economy, the bureaucrat-capitalism, is tied to the unburied cadaver semi feudalism, and it is subjugated by the moribund imperialism, which increasingly lives off from the blood of the oppressed, reaped from an exploitation guarantee by its own weapons and those of its lackeys, while the domination of the world is dispute in a never-ending crisis and contention waged primarily by the two superpowers, the United States and the social-imperialist Soviet Union. In conclusion, we are in the midst of the general crisis of Peruvian society. This crisis, including the crisis of bureaucrat-capitalism which has entered into its final stage, has fully matured the conditions for the development and triumph of the revolution, then the general crisis that plagues the old society encompasses the revolution in its entirety and in all its manifestations.

This is our reality; this is the foundation on which Peruvian society rests and the material roots of our problems and the misfortunes of our people. This is the social system that the ruling classes and their Yankee imperialist masters are faithful to and defend with blood and fire, through their bureaucratic-landlord state based on their reactionary armed

forces, continuously exercising the class dictatorship of the big bourgeoisie and landlords, whether it is through de facto military governments like the many we had, for example Velasco and Morales Bermudez, to mention just the most recent ones, or through governments born out of elections and called constitutional like Belaunde's government today.

[...]

Moreover, looking in perspective, what can the people hope for, the masses, expect from participating in the general elections of 1985? Well, simply and plainly: To Vote is to avail the social system and to elect another government that will bring more hunger and more genocide! It will help landlord-bureaucrat state to replace, according to its own laws and conditions, their authorities who shall exert the class dictatorship against the people and in favor of maintaining the semi-feudal and semi-colonial society in whose womb bureaucrat-capitalism is developing, for the benefit of the ruling classes and their principal master, Yanqui imperialism. To vote is to help install a government who will bring still more hunger, since this is determined by the needs and the class character of the old State of which it is a part. To vote is to help establish a government which will still be more genocidal than the current one, since this too is determined by the needs of the old state, to defend its decrepit society in the face of the revolution, that way it will also push the Old State to defend their obsolete society facing the people's struggle and mainly before the push of the armed struggle which with guns is destroying the old to create the new: the forms of the New Power, of the New Society, sustained by the people rising up in arms.

The people cannot help their exploiters and oppressors, they cannot help them to resolve their problems, they cannot avail their social system, even less to help elect another government bringing still more hunger and more genocide. Since that is not their road nor it helps their own interests, the only thing that can be presented today is, NOT TO VOTE! and

the only truly popular answer before the elections by the reactionary State that brings hunger and genocide.

*Don't Vote! Instead, Expand the Guerrilla Warfare to Conquer
Power for the People!*
February 1985

Since 1983 the Peruvian revolution evolves under the great political strategic conception of "Building Base Areas" and in military terms of developing People's War, which means principally guerrilla warfare complemented by guerrilla actions such as sabotage, selective annihilation and propaganda and agitation, so as to carry out the central task of building, preserving and developing base areas and spreading the People's War throughout the country, taking into account the variability that the fluidity of guerrilla warfare imposes not just on the new state power but on all forms of revolutionary construction and work. This basic plan of "Building Bases" forms the context for the present "Plan for the Great Leap," based on the specific political strategy of "two republics, two roads, two poles," that is, the Republic of the old reactionary Peruvian state vs. the New Democratic People's Republic in formation; the old dead-end road of votes which only serves to preserve the old exploiting order vs. the new road of arms which is transforming Peruvian society to serve the people. These are two poles, one of the big bourgeoisie heading up the dictatorship of the ruling classes in the service of imperialism, bureaucrat capitalism and semi-feudalism, the black and odious past which is being destroyed, versus the proletarian pole, represented by its Communist Party in the leadership of the democratic revolution whose victory will open the way to socialism and through the course of repeated cultural revolutions, fused with the great epic of the world revolution, someday will lead to communism, humanity's sole, necessary and an inevitable goal that can never be abandoned.

Through the military strategy of generalizing People's War, this strategy has taken the concrete form of four campaigns, each with its specific content.

[...]

First let's look at the need for a party; then later when we take up its building we'll deal with its present role. Since its very beginnings Marxism has held that there must be a Party to lead the struggle to seize state power; this was reiterated by Leninism and emphatically reaffirmed by Maoism. Without a revolutionary party of a new type, Marxist-Leninist-Maoist, there can be no revolution for the proletariat and the people. This is a great truth that no communist can evade without ceasing to be one, a truth we Peruvian communists had to confront. The Communist Party of Peru was founded on October 7th, 1928 on a solid Marxist-Leninist basis by José Carlos Mariátegui, who provided it with basic theses concerning Peruvian society, the land question, imperialist domination, the role of the Peruvian proletariat, as well as programmatic points and a general political line and consequent particular lines. But the founder died in 1930, less than two years afterwards; even a first congress remained pending, so that the Party did not have time to consolidate itself before trends that had already been developing took a leap, Mariátegui and his line were openly put into question, and the line was changed by Ravines. Thus opportunism usurped Party leadership and imposed its authority in the two-line struggle within the Party with the gravest consequences for the class and the revolution.

This road led to the parliamentary cretinism manifested in the 1939 elections, in the service of the comprador bourgeoisie represented by Prado. Later, during World War II, there was a phony "founding congress" which adopted the general political line of "national unity" under the guidance of Browderite revisionism, an expression of capitulation to Yankee imperialism's domination and the domestic rule of the comprador bourgeoisie and the feudal landlords, under the

pretext of the struggle against fascism. Subsequently, this situation led to the Party's participation in the 1945 elections as part of the "National Democratic Front" with the APRA party, with the excuse of bringing about a democratic opening; this new electoral adventure ended when the balloon the Party had become blew up after Odria's 1948 coup d'état. In the beginning of the sixties the faction founded by Chairman Gonzalo began to develop within the Ayacucho Regional Committee. By faction, what is meant is what Lenin taught: "A section in a party is a group of like-minded persons formed for the purpose primarily influencing the party in a definite direction, for the purpose of securing acceptance for their principles in the party in the purest form. For this, real unanimity of opinion is necessary." The faction arose as the product of the development of the class struggle on the world level, especially the great struggle between Marxism and revisionism that spread Mao Tse-tung Thought, as Chairman Mao's development of Marxism-Leninism was known in the mid-1960s. This was the principal and decisive factor giving rise to the faction.

At the same time, a substantial basis for it was provided by the development of Peruvian society, the advance of bureaucrat capitalism, the sharpening class struggle of the masses, the intensification of political activity and growing propaganda about armed struggle, and by developments in the region itself where the faction arose, a region where the decrepitude of semi feudalism was becoming increasingly stark and where the peasantry was beginning to awaken in a particularly militant fashion reflecting a similar process going on throughout the country. Within the Party at that time, the struggle between Marxism and revisionism deepened.

The faction headed by the Ayacucho Regional Committee fought the revisionism of Del Prado and his followers in the IV National Conference where Del Prado and Company were expelled. From then on the faction developed within the Party nationwide. The development of Marxism-Leninism by

Chairman Mao and the great lessons and experiences of the Communist Party of China played a vital and decisive in this initial process. Since then both our initial commitment to Marxism-Leninism-Maoism and our application of it to our conditions have developed further.

After the V National Conference in November 1965, in the two-line struggle within the Party the faction came to fight for building the three magic weapons of the revolution: the party, armed forces and united front, demanding that these tasks are fulfilled in the light of the political line of the Conference which had established the building revolutionary armed forces for armed struggle as the principal task, but in a thousand ways the dead weight of revisionism hindered and opposed the fulfillment of the principal task; under these circumstances the faction, reaffirming the necessity of an ideologically united and organizationally centralized Party, called for the Reconstruction of the Party” based on “the heroic fighter.” This process was carried out in three periods, each with its corresponding political strategy:

1. Defining the problem of Reconstruction, guided by the political strategy of “surrounding the cities from the countryside.”

At this point the problem was to build a Party to lead the armed struggle on this road, which meant that the peasant and land question acquired tremendous importance and it was vital to put the Party’s center of gravity in the countryside. Further, the decisive question of ideological and political line centered on “basing ourselves on Mao Tse-tung Thought,” as it was said in those days, and on “reclaiming and developing Mariátegui,” with development being the outstanding aspect of this. It was not enough to reclaim him for two key reasons: the development of Marxism-Leninism by Chairman Mao Tse-tung, and the development of bureaucrat capitalism in Peru. This phase took place during the struggle against

Khrushchevite revisionism and its manifestations in various spheres of Party life and ended with the January 1969 VI Conference which approved “the Reconstruction of the Party” “on the basis of Party unity around Marxism-Leninism-Mao Tse-tung Thought (as was said in those days now it is Maoism), Mariátegui’s Thought and the general political line. “

2. Carrying Out the Reconstruction

This period was guided by the political strategy of “Reconstruct the Party” in accordance with the Party’s basis of unity. October 1968 saw the coup d’ etat of Velasco, who took on the task of deepening the development of bureaucrat capitalism, carrying out the corporativization of Peruvian society guided by a fascist political outlook and suppressing the rising mass movements. This period divides into two parts: first the struggle against right liquidationism, a form of revisionism which sought to destroy the Party by centering it on open, masses work and pushing it into legalism; on the strictly political level this line put forward expropriating the land instead of confiscating it and above all denied the fascist character of the government. When these liquidationists couldn’t take over the Party, they perversely attempted to destroy it and the faction took up the Party’s defense. In February 1970 a split took place and the faction assumed the leadership of the Party; from then on it led the process of Reconstruction. In the second part there was a struggle against “left” liquidationism, another variant of revisionism that tried to destroy the Party by shutting it up behind four walls, denying the importance of peasant work and the possibility of any mass work because, according to them, mass work and organizations are impossible under fascism. They reduced fascism to simply a question of violence, and worse, to an irresistible violence in the face of which nothing could be done but wait for better times. They put forward the “relative stability of

capitalism” and consequently of the social system. They said “the line is enough” and that there was no reason to develop Mariátegui further, and called Maoism into question, bragging about being “pure Bolsheviks.” This “left” liquidationism was smashed in 1975 at a Central Committee plenum.

During this period, our political understanding of Peruvian society deepened, especially our understanding of bureaucrat capitalism, based on Chairman Mao Tse-tung’s thesis. This question is fundamental for understanding and leading the democratic revolution. In fact this concept slammed the door on the opportunist tendency to tail a faction of the big bourgeoisie while pretending to unite and struggle with the national bourgeoisie, and to support the Velasco’s fascist and corporatist plans, “reforms” and measures, and it continues to be extremely useful today. The ideological-political building of the Party also advanced, especially regarding the understanding of Mariátegui’s thought and general political line synthesised for the first time in five basic points taken from his works as well as the necessity to develop it further. The relationship between secret and open work was delineated and the latter was developed according to the Leninist criteria of areas of support for the Party’s mass work; thus, mass organizations were created by the Party to develop the links between the Party and the masses.

3. The Culmination of the Reconstruction

This period was guided by the political strategy of “Culminate and Lay the Basis,” in other words, culminate the reconstruction and lay the basis for launching the armed struggle. With the unfolding of the process the Party was approaching the conclusion of its Reconstruction and so had to sum up what had been achieved, define and sanction the general political line, continue the building of the Party on a national level with its center of gravity in the countryside, define the specifics of the armed struggle and lay the basis to launch it

by developing the work among the peasants. The left fought tenaciously to attain these objectives, waging intense and sharp struggle against rightism. This rightism developed into a right opportunist line that first opposed the Culmination and then launched an onslaught against the general political line, labeling it “ultra-leftist,” and ended up rapidly opposing the initiation of the armed struggle. Nevertheless, with firmness and wisdom the left repeatedly defeated right opportunism, another form of revisionism opposed in the last instance to revolutionary violence, to armed struggle, to people’s war, to the Party’s fulfillment of its role of fighting to seize power for the proletariat and the people, and to the proletariat’s advance in its historic mission. In April 1977 the left defeated the right opportunist opposition to Culminate, with the approval of the national plan to build the Party under the slogan “Build for the purpose of launching the armed struggle”; the left again resoundingly defeated the right in September 1978 with the approval of the “Summation of the Reconstruction, “ the sanctioning of “Mariátegui’s general political line and its development, “ and the drafting of the “Outline of the Armed Struggle.” Finally, it thoroughly and completely defeated the right opportunist line at the May 1979 IX Expanded Central Committee Plenum, when under the slogan **“Define and Decide”** the agreement was taken to **“Initiate the Armed Struggle.”**

A long chapter of the Party’s history had closed and another one opened: the Reconstruction had been culminated and a new stage would open, that of the armed struggle. It should be clearly and firmly emphasize that during this period of the Culmination, when Chairman Mao died, the Party pledged to the international proletariat and the revolution that it would always hold high the banners of Marx, Lenin and Mao, and declared that **“To be a Marxist today is to be Marxist-Leninist-Mao Tse-tung Thought” (now Marxist-Leninist-Maoist)** Thus, when the Hua-Deng coup took place, with the latter of course in charge at the end of the day,

the Party condemned it as a counterrevolutionary coup against the dictatorship of the proletariat in China, against the Great Proletarian Cultural Revolution, for the restoration of capitalism and against the world revolution.

In sum, then, the Communist Party of Peru was reconstructed and became a Party of a new type, Marxist-Leninist-Maoist, and so once again there existed the organized vanguard of the proletariat, capable of leading it to the seizure of state power. In this way “Define and Decide” can be considered the first milestone of the people’s war unfolding today. Later the Party achieved the second milestone, that of Preparation; a period of the auctioning of the Party Programme, the general political line of the Peruvian revolution and the Party statutes whose norms guide us today, the resolution of strategic political questions regarding revolutionary violence, people’s war and the Party, the army and the United Front. The following decision was taken: **“Forge the First Company in Deeds!** *Let violence flourish concretized in initiating and developing the armed struggle; let us open up a new chapter with lead and offer our blood to write it, a new chapter in the history of our Party and people, and let us forge the First Company in deeds! Peru, December 3rd, 1979.*”

[...]

THE SO-CALLED “NATIONALIST, DEMOCRATIC AND PEOPLE’S STATE”. On July 28, 1985, starting his manifesto to Congress, García Pérez said: “I must repeat before the nation, that my commitment is with the totality of its citizens”; the same concepts that in 1963 and 1980 Belaúnde Terry used when he proclaimed himself “president of all Peruvians”, as well as the same perorations on the “popular vote” and the vaunted “ascent to the presidency in the odor of the multitude”; simple coincidences? in no way whatsoever, but old essences and palaver of the exploiting classes and their hacks. But even more so, the one who acts as president, dusting off old APRA ideas that have been revived today and with his usual demagoguery, goes back to the transcendental historical

analysis pontificating: "Because our history is also the history of our dependence on external forces that allied and expressed in powerful internal interests, this have led our country to the current crisis. Lacking a national project, lacking a historical and people's leadership, we have lived adapting our economy to the great interests of international capitalism"; later on, he formulated on "proclaiming the revolution": "The crisis we are living today is not a crisis within dependence, it is the crisis of dependence itself and it can only have one answer. The democratic revolution that will make us more free, more just and more owners of well-being, and that revolution that I proclaim here will be the independence of our economic interests". In short, what is it all about, what is being covered up? Well, that the Peruvian history of this century that García Pérez pretends to delineate is of the domination of Yankee imperialism mainly, allied with the big bourgeoisie and the feudal landlords; These, exploitation and oppression, are the causes of the current crisis and of the ties to the imperialist system and not the "deficiencies" of "project" and "leadership" which are another form of his "thesis" of our supposed co-responsibility with the "civilizing" imperialist domination, which as a member of the APRA he must think about in depth, although his demagoguery forbids him to say so. As for the second paragraph, the invoked "crisis of dependence" is simply and plainly the crisis of imperialism and its domination. The democratic revolution that these demand is not a mere "independence of our economic interests" but fundamentally and principally will be a political feat that destroys the three mountains that bend us: imperialism, bureaucrat-capitalism and semi-feudalism, a political feat that will only be fulfilled with the people's war and even more within the world proletarian revolution that will overthrow the imperialist and reactionary domination across the globe; it is not the "new relations" of reinsertion into imperialism to maintain it as García raised, but the destruction of the system; Thus the question is political and the great turns of Peruvian

history themselves prove it, where the political and military feat preceded the economic change; and today in Peru, the peremptory necessity is the ongoing democratic revolution carried forward through people's war within Marxism-Leninism-Maoism, guiding thought, and no one can hide this. What García Pérez says are nothing but old and rotten APRA claptrap, now presented with modern pseudo-scientific shavings of the so-called "different future", as can be seen in his different lucubrations of the same message and even more so in the confrontation with reality, in practice the supreme criterion of truth.

On the so-called "three injustices". This is what García Pérez says about his "three injustices". "Our economic history concludes in a situation of profound injustices, and the economic problems we suffer today are due to them". Here the problem is no longer "the crisis of dependence", his false anti-imperialism has vanished, now the issue is "the profound injustices" that are causes of our problems; the supposed anti-imperialist becomes a vigilante, he jumps into the limelight as "the champion of justice" raising as his great banner of "Social Justice"! This is an outdated nineteenth-century slogan linked to anarchism, one of the acting facets of the APRA through figures of the so-called free syndicalism such as Sabroso and his cohorts; we are not talking about González Prada, a notorious figure with whom the APRA has always tried to traffic. In concrete terms, then, the issue is one of injustice, let us see its first "dimension" in the words of García Pérez: "First, there is a regional injustice, which separates Lima, the city and the Coast, from the rest of forgotten Peru. In Lima is 80% of the industry, in Lima, not in the shanty towns that are still provincial, but in the Lima of wealth and the middle classes, the State concentrates its administrative services of education and health... If things continue this way, for whom will Lima produce in the future, if the country is getting poorer and poorer". This "regional injustice" raises two salient points: the condition of Lima and

the State; why is there such a great difference and separation of Lima from the rest of the country...? Because of the subsisting semi-feudalism, despite stubbornly denying it, the undeniable reality and mainly the people's war is making them see that the Sierra exists, an area in which precisely semi-feudal relations are evident wherever one looks; because of the development of bureaucrat-capitalism which increasingly concentrates the means of production in the capital, remember that Velasco also spoke of decentralization, but promoting the former, today the concentration is greater; and mainly because of the domination of Yankee imperialism. The backward world and particularly Latin America show this monstrous macrocephaly: Mexico, Brazil, and Argentina prove it. These are the causes and that is what we must talk about and not hide behind "regional injustice". But, in addition, the President speaks of "the Lima of wealth and of the middle classes"; middle classes are the intermediate classes, between them the national bourgeoisie and the upper layer of the petty bourgeoisie, the so-called "emerging" ones, are these the ones that hold the wealth? No, but the big bourgeoisie in its comprador and bureaucrat factions who as big bankers, industrialists, merchants and real estate landlords concentrate the ownership of the means of production, added to the biggest imperialist interests also concentrated in Lima and this is what is hidden, the economic power of these classes and of imperialism, in synthesis the power of the big exploiting classes is covered up, but he didn't forget the classes, because, as can be seen he speaks of "the middle classes". The other salient point is the concentration of the power of the State of the armed forces which are its backbone and of the bureaucracy which, precisely, concentrate their means in the capital to sustain the dictatorship of the landlord-bureaucrat class which is the Peruvian State and from there control the whole country; this is what is fundamental and not the concentration of "administrative services of education and health" which are derivative questions; And this is the central

question that must be considered, especially when the militarization and bureaucratization of the Peruvian State has been increasing more and more in the last decades as a consequence of the increasingly outdated process of the prevailing social system itself and, mainly, of the revolutionary development of the masses and especially of the people's war that undermines it and aims to destroy it. Finally, García Pérez says: "If things go on like this, for whom will Lima produce..."; what does he want then, does he agree with the invoked "regional injustice"? In the end he is interested in "market" for the productive system of the exploiting classes and imperialism, what already before him worried Velasco, Morales, Belaúnde and other "heads of state" that preceded him, with their conditions and circumstances, with the popular saying "I don't love pork, I just love chicharrones".

But let's continue with the famous "injustices": "But there is a second dimension of injustice, an economic divorce of sectors, when we analyze the economic functioning of the country we see that there are two clearly divided sectors".

"On one side, there is the modern industry... That is the modern sector, where 85% of Peru's investment is and only 38% of Peruvians work. But on the other side of the economy, there is the marginalized sector, rural Andean agriculture, with millions of communal farmers and land owners and that human group that some have called the marginal urban sector, made up of the unemployed, the underemployed, almost always living in shanty towns... It is worth asking for whom the industry will produce if the majorities are increasingly poorer. What will the State administer if there is no production in the country? I come to say that there will be no real solution as long as the State is only for industry and administration. There will be no profound revolution until the State reaches the commoner and the unemployed".

Once again let us ask ourselves, what is modern industry in Peru; simply, it is bureaucrat-capitalism that has developed under imperialist domination and linked to feudal landlords;

the degree of submission of modern industry to imperialism, especially Yankee, can be seen in the following two paragraphs by scholars on the industrial problem:

"The dynamics of industrial growth in Peru in the last two decades has been driven by large multinational companies and conglomerates of North American, European and Japanese origin, the same that upon penetrating our economy have tended to establish either monopolistic or oligopolistic forms, both in terms of production and distribution of the product it manufactures..."

"The penetration of large companies and multinational conglomerates in the 'Peruvian' manufacturing industry has directly contributed to generate a slow but sure marginalization of the new and old sectors of the national bourgeoisie... Thus, in the last two decades the role assumed by the 'national bourgeoisie' has been that of developing new industrial groups which, over time, have been controlled by foreign capital. Therefore, what is currently developing is an intermediary bourgeoisie arising from certain groups, which on the basis of their prestige, experience and their social and economic links have been integrated into the large multinational companies and conglomerates, becoming part of the increasingly growing intermediary sector" (E. Anaya, "Imperialismo, industrialización y transferencia de tecnología en el Perú"; bear in mind that when the author speaks of the national bourgeoisie he is referring to the native bourgeoisie and, even more, to the big bourgeoisie).

"Perhaps the most significant conclusion of the structural analysis is the high degree of control that foreign companies have even in the extractive and industrial sectors of Peru. Moreover, a direct quantification of the level of foreign investment in the country would not give an accurate picture of the degree of control of foreign capital in the economy. This control is substantially amplified by the strategic character of this investment, by the fact that the most important companies in each industry are foreign, and because most of

these companies are subsidiaries of large multinational corporations" (J.A. Torres, "Estructura económica de la industria peruana").

This is the question, not the cover of "a second dimension of injustice"; and it's the sinister bureaucrat-capitalism and mainly its subjection to imperialism what should be talked about. What should even more be discussed would be for the mountains to be overthrown with weapons in hand in order to raise a true national economy that is for the oppressed masses, and within it, an industry for the class and the people; But García Pérez, artful and demagogic, asks himself, "for whom will industry produce if the majorities are poorer and poorer", once again it is clear which side he is on and what his real concern is.

But what is a "marginalized sector"? First of all, what is Andean rural agriculture, namely semi-feudalism with the three connotations was already established by Mariátegui: land, servitude and gamonalism. It is the question of land as the driving force of the class struggle in the countryside; the century-old problem of land concentration with feudal roots; a basic problem of the country as shown by the fact that in the sixties three agrarian laws of sale and purchase were passed, which in essence have done nothing but maintain the concentration, as shown in the following table of the "General Directorate of Agrarian Reform and Rural Settlement" itself:

ADVANCES OF THE AGRARIAN REFORM

1963-1979

(Report from June 24, 1979)

	Adjudi- cated units	Adjudi- cated ex- tensions. Has.	Be- nefi- cia- ries		
			%	Nº	%
Cooperatives	581	2,196,147	25.5	79,568	21.2
Agro-industrial complexes	12	128,566	1.5	27,783	7.4
SAIS	60	2,805,048	32.6	60,954	16.2
EPS	11	232,653	2.7	1,375	0.4
Peasant groups	834	1,685,382	19.6	45,561	12.1
Peasant commu- nities	448	889,364	20.3	117,710	31.4
Independent pea- sants	---	662,093	7.7	42,295	11.2
Total	1,907	8,599,253	100.0	375,246	100.0

From the table it is clearly seen that the delivery to individual peasants would have been only 7.7% of the adjudicated land; and if we make an estimate of the number of peasant “beneficiaries” it would be around one million eight hundred thousand, but the 81 census tells us that there are six million two hundred and forty-five thousand peasants; the propagandized “agrarian reforms” would not have reached even a third of the peasantry; and if we remember that in 1961, according to the National Agricultural Census, 83.5% of the agricultural units had less than five hectares owning only 5.7% of the land, while 1% of the units occupied 81% of the land. If we remember that in 1961, according to the National Agricultural Census, 83.5% of the agricultural units had less than five hectares, owning only 5.7% of the surface area, while 1% of the units occupied 81% of the land, the question arises: what is the problem? what is the root of the situation? This is being shown today, very acutely and seriously, by the reality of Puno, by García Pérez himself, posed “as another Ayacucho”

which, although he does not like it, neither he nor others, is already opening up as such.

AGRARIAN REFORM IN PUNO (D.L. 17716)

Modality	Adjusted hectares	%	Benefited fa- milies	%
23 SAIS	1,024,287	52.20	6,249*	20.87
16 CAPS	499,503	25.50	6,480	21.64
05 ERPS	216,845	11.06	939	3.13
	1,740,635	88.76	13,668	45.64
74 Peasant com- munities	46,180	2.30	14,547	48.59
72 Peasant groups	131,672	6.80	1,460	4.87
	177,852	9.10	16,007	53.46
261 individuals	41,069	2.10	261	0.87

* Does not include the 6,663 families of the SAIS partner communities; in practice they do not receive significant benefits from the companies. They should not be considered “beneficiary” families (this is general in all the SAIS of the country).

This table from the “General Direction of Agrarian Reform” of December 1983, shows how 23 SAIS have 52.20% of the adjudicated lands with only 20.87% of the families, while 74 peasant communities with 48.59% of the families have 2.30% of the lands; on the other hand: the associative companies that would have 45.64% of the families benefited have 88.76% of the adjudicated lands, while communities and peasant groups with 53.46% of the families received only 9.10% of the lands. This is the great underlying problem of the Sierra, principally but not exclusively; it is not “another dimension of injustice”, it is the subsisting semi-feudalism with its trilogy

of land, servitude and gamonalism and this is not resolved by any law of the old State, only the peasantry under the leadership of the Communist Party conquering and defending the land with weapons in hand through the people's war, as we are already seeing in our own soil.

But let us look at the other part "of injustice", the question of unemployment and underemployment. If we consult the "Statistic Compendium 1985" of the "National Institute of Statistics" itself, we find:

UNEMPLOYMENT, UNDEREMPLOYMENT AND
ADEQUATE EMPLOYMENT; AGRICULTURAL AND
NON-AGRICULTURAL
1980-85
(RELATIVE FIGURES)

Level of employment status	1980	1981	1982	1983	1984	1985
Rate of unemployment	7.0	6.8	7.0	9.2	10.9	11.8
Agricultural	0.8	0.3	0.3	0.3	0.3	0.3
Non-agricultural	10.9	10.4	10.7	13.9	16.4	18.4
Rate of underemployment	51.2	47.9	49.9	53.3	54.2	54.1
Agricultural	68.2	61.5	60.9	67.5	63.2	60.4

Level of employment status	1980	1981	1982	1983	1984	1985
Non-agricultural	41.4	40.3	43.9	45.8	49.6	50.5
Rate of adequate employment	41.8	45.3	43.1	37.5	34.9	34.1
Agricultural	31.5	38.2	38.8	32.2	36.5	39.3
Non-agricultural	47.7	49.3	45.4	40.3	34.0	31.1

Unemployment and underemployment clearly increased from 7% in 1980 to 11.8% in 1985; moreover, in the non-agricultural sector, specifically in the cities, unemployment rose from 10.9% to 18.4% in the same years. Underemployment went from 51.2% in 1980 to 54.1% in 1985; but it occurred in both rural and urban areas, with the particularity that while in the rural areas it went from 68.2% to 60.4% in the same years, in the cities it rose from 41.4% to 50.5%. Is this another form of “injustice”? Not at all, it is only the necessary consequence of the outdated semi-feudal and semi-colonial system in which bureaucrat-capitalism develops and of the crisis we are enduring; it is the necessity of the nefarious social system that in order to maintain itself condemns two thirds of its population to hunger, of a rotten system that plunges the Peruvian population, the popular masses in the narrowness of a per capita income similar to that of the year 65. Of a social system that in order to survive requires each time a more militarized and bureaucratized State and that peremptorily reaches the most distant place and the poorest masses to control their revolutionary explosiveness and their

incorporation to the people's war, to be ready to suffocate the people with blood and fire continuing its genocide; this is what García Pérez hides behind his "what will the State administer if there is no production in the country" and "that the State reaches the commoner and the unemployed".

Finally, let us look at the last of the trinity of injustices pontifically consecrated by García Pérez; we will deal with it in parts given its importance, following the already alluded message: "But injustice in Peru is not only between regions and between sectors of economic operation. It is also a profound social injustice. I have spoken of a symbolic pyramid. At the top of which 2% of the population obtains the highest income through its monopolistic companies and thanks to the ownership of the means of production. Many times that wealth made with the effort of Peru, has been achieved thanks to the hunger of the Peruvians...". Let us emphasize that it is here where we come across the so often brought and brought as magical pyramid whose symbolism we will unravel. Let us consider the "top 2% of the population", what is it here, in the country, according to the ideology of the proletariat? Well, it is the very nucleus of the exploiting classes: the big bourgeoisie (in its two comprador and bureaucrat factions) and the landlords, as well as the imperialist domination, mainly Yankee, as far as its most direct representatives are concerned; they are the concentrated expression of the three mountains that oppress the people and consequently the core representation of that minority (calculated at 10% more or less), whose power must be completely and utterly destroyed, at least politically and economically, in order to fulfill the democratic stage of the revolution; the question, therefore, in essence is not because they are "2%" but their class character; likewise, the problem is not simply that they "obtain the greatest income through their monopolistic enterprises and thanks to the ownership of the means of production", as the message demagogically says, but that they are members of the three targets of the democratic revolution: Imperialism,

bureaucrat-capitalism and semi-feudalism, obviously monopolists and exploiters in that they have appropriated the most important social means of production of Peruvian society, of the wealth that the people, the masses, the exploited have generated and that was and continues to be taken from them by force of exploitation and oppression that lives daily sucking the blood of the people while they are plunged them deeper into hunger and misery.

“But I have also said,” the so-called president continues, “that the State, in order to guarantee a model of domination and to safeguard the wealth of that 2%, has also become an instrument of unjust concentration of income. Like a bureaucratic cushion to defend the most powerful, it has become unproductive and centralist. It has provided jobs, but more than what’s needed, sometimes to pay electoral clientele and in other cases to create nuclei of bureaucratic wealth”. Once again with his famous “injustices”, after covering up the class struggle, he distorts and muddles the fundamental problem of the State; what does García intend? to reduce the question to the fact that the Peruvian State “has become an instrument of unjust (again his magic word), concentration of income” generating too many posts “to pay electoral clientele” thus becoming “unproductive and centralist”, “to guarantee a model of domination”; therefore, the question would be less bureaucracy and the years ago propagandized decentralization, hiding the bottom line and the main thing: the function of the armed forces. “Two institutions most characteristic of this state machine are the bureaucracy and the standing army... The bureaucracy and the standing army are a ‘parasite’ on the body of bourgeois society – a parasite created by the internal antagonisms which rend that society, but a parasite which ‘chokes’ all its vital pores,” as Lenin taught. He further stressed: “imperialism... has clearly shown an unprecedented growth in its bureaucratic and military apparatus in connection with the intensification of repressive measures against the proletariat.” To which should be added this great

condensation of Chairman Mao Tse-tung: "All things grow out of the barrel of a gun. According to the Marxist theory of the state, the army is the chief component of state power." This is the only truthful and scientific way to analyze the problem, highlighting how the man of the so-called "injustices", besides denying the historical process of the State especially under a not-talked-about imperialism, hides the main component, the very source of reactionary power. This is a matter of great importance, especially in a country where revolution and counterrevolution confront each other in arms; therefore, let us insist again on the Marxist thesis: "A standing army and police are the chief instruments of state power. But how can it be otherwise?"

From the lies we've seen, García Pérez has shown all of us the reactionary essence of his "symbolic pyramid", according to his own demagogic rhetoric: "But on this path, the State has been indebteding itself and indebteding Peru and almost all the debt is for the top 30% urban, industrial and administrative of the country. But below, there is a 70% marginal agricultural and peasant population, unemployed and displaced, provincial and from shanty towns".

First of all, the indebtedness of the Peruvian State is part of the development plans of loans and investments that imperialism imposes on oppressed nations such as ours, in accordance with the development plans of bureaucrat-capitalism and the evolution of semi-feudalism that the exploiters develop through their State. And if we focus our attention from 1970 to date, a period in which the foreign debt grew enormously, we find that from 1974 to 1983 the economic growth of the country was almost nil (0.1%), while that of the nine preceding years had an average rate of 5.1%; the industry only went from 24.7% of the GDP in 1970 to 24.7% of the GDP in 1983. From 7% of GDP in 1970 to 25.1% in 1980, to drop to 22.0% in 1984; the manufacturing proletariat was reduced to 13.7% of the labor force in 1980 from 14.6%; while business profits in 1972 reached 17.5% of national

income, they rose to 31.9% in 1980 (in 1979 even higher: 33.3%), the remunerations which in 72 comprised 51.2% were reduced to 39.3% in 1980, and let us remember that it was the remunerations of the state employees which suffered the greatest reduction; and as a complement to this same process the agricultural labor force went from being 43.7% in 70 to only 35%. However, this reduction, which could not be discounted by industrialization, necessarily led to the growth of the service sector from 28.6% in 1970 to 38.8% in 1980. This phenomenon also occurred in the capital itself, the largest industrial center of the country, as can easily be seen from the following data: in 1972 industry occupied 19.1% of the economically active population (EAP), but in 1981 only 16.9%, while the commerce and services sectors, from 48% of the EAP in 1972, rose to 62% in 1981.

From the above it can be seen that the foreign debt and the plans applied have not benefited the supposed “top 30% urban, industrial and administrative of the country” but rather imperialism, the native exploiters and their State, as can be seen from the growth of corporate profits and the amount of the foreign debt, which more or less from 800 million in 1969 has risen to 16 billion dollars today. What does Garcia want? Well, simply the defense of his so-called “top 2%”; in his lucubration of the “top 30%...” he wants to recast mainly the proletariat, part of the petty bourgeoisie and the national bourgeoisie in a bloc, to hide behind it and protect the interests of the imperialists, big bourgeoisie and landlords and to this false grouping counterpose his crude demagogic invention of the “70% agricultural and peasant marginal, unemployed and itinerant, provincial and from shanty towns”, as is clear from the subsequent paragraph of his message to Congress: “The State until now is not theirs, because until today, the State enriched very few and reached others in scarce resources in employment, health and service; but it was alien to that 70% on which I think the future of national history depends. We must find a solution to the social conflict

that confronts, on the one hand, those who own the means of production plus their public or private subsidiary groups and, on the other hand, the disinherited, who are the vast majority". (Emphasis added).

This is the reactionary essence that closes the "symbolic pyramids" of the one who serves as president: around his "2%" of monopolists and owners of the social means of production he builds his "top 30%" and he opposes those with his formulation of the "marginal 70%"; thus arise the two counterparts of his pyramid, the two terms of the contradiction that generates the "social conflict", as he says: "owners of the means of production plus their public or private subsidiary groups" on the one hand and on the other, "the disinherited who are the vast majority"; but since "we must solve the social conflict that confronts (them)", where does his whole "symbolic pyramid" point to? To defend the exploiters and oppressors of our people, the rest is lucubration, rhetoric and demagoguery; in the end the same old APRA ideas spruced up according to the new scientific and convoluted sociological fashion, concluding with this trinity of theirs, solving the problem of the Peruvian State with a declaration: "I declare, and this is my commitment, that from today, the State belongs to all Peruvians, and that if no one has spoken for the communards and unemployed, from today the State will speak on their behalf for good and justice." (underlined ours). A year later, those who believed these falsehoods, hypocrisies and arrogance and confront the daily reality that the country lives cannot but understand better and better what Marxism, the conception of the proletariat teaches: "The State is an organ for the oppression of one class by another", because: "The state is the product and the manifestation of the irreconcilability of class antagonisms. The state arises when, where, and to the extent that the class antagonisms cannot be objectively reconciled. And, conversely, the existence of the state proves that the class antagonisms are irreconcilable."

In conclusion, the three so-called “injustices” obviously deny the character of Peruvian society, the classes and the class struggle that takes place in it and centrally the character of landlord-bureaucrat dictatorship of the Peruvian State, as well as the need for revolutionary violence to overthrow the old State and the exploiters to begin to develop the new society; and starting from all this is that he proposes his so-called “democratic revolution”, which the aforementioned message states as follows: “What I come to affirm is something different, what Peru needs is a democratic revolution, a historical restructuring that reactivates the deep, that unleashes the social forces ignored until today.”

“I propose to give impulse to agriculture, where millions of Peruvians live as they did centuries ago so that those abandoned lands, without seeds, without fertilizers, without tractors, lands that are cultivated every eight years, produce the food that we now buy abroad.”

“That is the productive social reactivation. I propose secondly that the hundreds of thousands of unemployed and underemployed arms of the shanty towns have some access to income or employment. That will be the social reactivation of consumption.”

“And so, when we link at the bases of society the production of agriculture, with the consumption of those who now cannot eat for lack of employment, a different Peru will be launched, and it will then be the national market to which the products of the Lima industry that little by little is now shutting down for lack of buyers can reach. And then, the public administration, most of which is in Lima, and which now appears to be administering an unproductive country, will have a historical explanation in a country reactivated from its very bases”.

“...if we do not decide for change, the situation in a short time will be thousands of times worse, with more violence, more recession and more unemployment”. (The underlining is ours).

Is this the democratic revolution that Peruvian society needs, the one that demands the overthrow of imperialism, bureaucrat-capitalism and semi-feudalism in the country through the people's war as it has been developing for six years? No, not at all; rather it has expressive coincidences with problems that were pointed out and solutions that were proposed previously for many decades. Suffice it to recall some of the proposals of the "Economic and Social Development Plan 1967-1970", approved during Belaúnde's first government, which stated, for example: "In general, if the current tendencies of the economy are not vigorously corrected and oriented towards new directions... it can cause serious tensions, with unpredictable economic, political and social results...", as well as to take "into account that the main political decisions for economic development normally refer to the process of capital formation... establishing limitations on the consumption of goods... establishing limitations on the consumption of luxury goods in order to free up capital for attractive investments based on adequate incentives"; the importance given to the development of agriculture as a strategic sector to reduce the importation of agricultural products and mainly for the expansion of the national market "indispensable for the process of growth and expansion of industry", for which "structural changes" were required and "to concentrate the direct and indirect action of the State in the agricultural sector"; another fundamental purpose of the plan was the development of industry, stressing that "industry currently has a high dependence on imported inputs"; considering that financially "the role of the State in the plan appears as an agency for the transfer of income from consumption, specifically from urban areas, to investment. From the point of view of income distribution, as a way of transferring income from the city to the countryside"; and, among other issues, the organization of Popular Cooperation oriented precisely to the so-called marginalized masses.

On the other hand, for the sake of completeness, we transcribe two quotations from speeches of General Velasco Alvarado: "By sustaining and defending a nationalist and resolutely revolutionary policy, we are fulfilling a high duty of patriotism. We believe that our country can achieve neither security nor greatness, maintaining untouched its old structures of discrimination of the national majorities. We aspire to the creation of a truly free and just social order that we consider incompatible with the survival of the imbalances that have made our country a nation of great injustices"; April '69.

"When on various occasions we have said that one of the central goals of our movement is the decisive impulse of industrialization, we have told the truth. Peru completely lacked an industrial future within the traditional molds. The underdevelopment imposed on this country by power groups with no sense of history made it impossible to create a true industrial apparatus. The imbalances of underdevelopment were always translated into the existence of social sectors composed of millions of our compatriots whose very low purchasing power never allowed them to constitute the internal market indispensable for the consolidation of a truly Peruvian industry".

"This was, precisely, one of the motivations of the agrarian reform. It obeyed not only to the need to transform the unequal and unjust land tenure but also to redistribute wealth to increase the purchasing power of the peasantry that in the future should be the consumer of the manufactured products of the true industry that we have never had".

"...One of the cornerstones of the structural transformation we want to carry out must necessarily be the accelerated development of industry..." (October '69).

What does all this imply? Concretely and simply, those are similar problems and approaches that the governments, both *de facto* and elected from elections, have been facing since decades ago, trying nothing more than to develop Peruvian society, developing bureaucrat-capitalism and evolving semi-

feudalism all within the conditions imposed by imperialism, mainly Yankee and facing the concrete situations presented to them, hence their specific differences. But all of them are within the maintenance and defense of the landlord-bureaucrat dictatorship that is the Peruvian State.

These are, then, in general terms, the foundations on which the July 85 message of García Pérez is based and on which his so-called “nationalist, democratic and popular State” is built and on which his governmental administration is developed.

The self-proclaimed “nationalist State”. “We know that to make the democratic revolution we must be anti-imperialist...” said García at the United Nations; but one cannot be anti-imperialist only by defending “the nation from the monopolistic structure of some companies”, but by fighting head on against the monopolies which are the economic basis of imperialism, and even less so by benefiting the largest oil monopoly in the world, which are the contracts with Occidental Petroleum Company. No one can call himself an anti-imperialist by maintaining that the foreign debt, one of the most serious and throbbing problems afflicting mainly the backward nations, is a problem of “relations between the poor and the rich” or “between North and South”, when we all know that it is a burning problem of the exportation of capital, one of the characteristics of imperialism, an expression of its parasitic character of living off the “coupon clipping” as Lenin taught, a striking and forceful demonstration of the squeezing relationship of exploitation between imperialist countries and oppressed nations and, moreover, holding the oppressed nations also responsible for the crippling debt that overwhelms and suffocates them. Nor can one be anti-imperialist by pretending to detach the problem of foreign debt from the world struggle of the superpowers for hegemony; and, even less, to say to just put oneself on the margin of this struggle, basically ignoring it, which is the same as serving it. One should be fighting it, denouncing the collusion

and struggle that U.S. imperialism and Soviet social-imperialism are carrying out which is plunging especially the Third World deeper into misery, while unleashing counterrevolutionary wars in different parts of the world and preparing a third world war, wielding their atomic power to terrorize and paralyze the combativity of the exploited and oppressed. In the same way, one cannot be anti-imperialist calling on the other imperialists, especially Europeans, to help the poor of the world, much less dreaming and hoping to find understanding and support in the superpowers themselves. And the false anti-imperialism is unmasked more quickly when in addition to serving the monopolies such as OXY and recognizing the debt and committing to pay it, invoking the falsehood of “honoring our commitments”, when it rises up scandalously shouting denouncing imperialist aggression by suspending the so-called “military aid” that only serves to train genocidal officers like Hurtado, the nicknamed “Truck” and others of his ilk. They are clamoring for their continued existence with the support of their cronies, also “anti-imperialists”, like the heads of the self-styled “socialist international”, like Castro and like the United Left headed by Barrantes, to end up paying their back dues and reestablish the “military aid” that trains genocidal officers; and even more so when in high-flown defiance they proclaim to pay only 10% of their export income and end up paying 35.5% or 56.9% in the second semester of 1985 (14.7% by public debt, 6.4% by the Central Reserve Bank and 35.8% by the private sector) as shown by economists; or when they threaten to withdraw from the nefarious International Monetary Fund if such conditions are not accepted and rejected, it is concluded that it is more convenient to remain in it. There is, therefore, in no way whatsoever, the false “nationalist State”, but simply a false anti-imperialism and a true pro-imperialism.

The self-proclaimed “democratic state”. “In second place, says the hopeful message for some, we require a democratic State that is democratic not only for its elective origin

or for its respect for freedom of opinion and expression, but also for its role as arbiter of justice, but fundamentally for its new organizational structure". First of all, regarding "its elective origin", we have shown in previous pages that the current APRA government has emerged violating its constitution and other electoral laws; that, in synthesis, more than 50% did not vote for it as required by the Constitution in this country, its selection being the product of the collusion of Yankee imperialism with the native exploiting classes and the endorsement of the Armed Forces, for which reason Alan García Pérez simply acts as president and, consequently, the ministers he appoints and the functions they fulfill have no legal basis within his own system. Likewise, the Congress of the Republic suffers from serious problems related to the preferential vote, about which there have been complaints, questionings and scandals that have not been clarified to this day. Regarding the "respect for freedom of opinion and expression" as it corresponds within the reactionary order, it is only for the exploiters who own almost all the mass media; but what is striking is the uniform management that the APRA government has imposed in this field, a striking and undeniable example is the information on the genocide of June 19 against the prisoners of war; This, in addition to the indirect and even brutally unmasked restriction against some of the few media that escape state control, the censorship and persecution of the "Nuevo Diario" and television programs, are clear examples; otherwise, let us ask ourselves a simple question, when has any newspaper or media outlet ever accepted to publish a communiqué denouncing the persecution, torture, disappearances and genocide against the people other than the aforementioned newspaper or the magazine "Equis X"? But the freedoms and rights that the masses have conquered and even forced to be written in the laws cannot be reduced to freedom of opinion and expression; are the right to life and physical integrity, freedom of thought and its expression, the inviolability of the home and correspondence, the right to

assembly, organization and strike, labor stability and social benefits, etc., etc., and the right to bury their dead respected in the country, and in this so-called “democratic State”? And this is not to mention the state of emergency and curfew with all its implications of the sacred “defense of order”. And as for the State “as arbiter of justice”, it will suffice to ask the workers of Sima, Moraveco, the miners of Canaria and Pasco, the members of CITE, SUTEP, doctors, the sugar cane growers all over the country and the people of Puno, Cusco and San Martin and the people of Puno, Cusco and San Martin, Cusco and San Martin and to the inhabitants of shanty towns like those of Garagay and not to mention the “arbiter of justice’s” performance in Aqomarca, Lurigancho and the last genocide of the three shining trenches of combat and the frantic “Enough is enough! I have run out of patience!” of García Pérez against the struggles of workers and laborers and all the repression unleashed by the APRA government since he began his administration, are evidently part of reestablishing “national order and the return to the principle of authority” and of his “if those who do not want to understand fall into agitation, the order of the State will know how to sanction them by applying legal discipline with firmness and energy...there cannot be a tremulous conduct that favors disorder but a firm decision...”, as he said in the message of 1985.

But what deserves the most attention is the statement: “...democratic State...fundamentally because of its new organizational structure.” The Peruvian State is fundamentally conceived as a bourgeois “representative democracy”, that is, parliamentary; so, what does “new organizational structure” mean? In short, to give it a corporative structure; and this is aimed at through “decentralization and deconcentration”, regionalization, development committees, micro-regions and “peasant communities as a social base” and the “National Economic Congress”, to which the organizational work mainly with the so-called marginalized masses are added:

shanty towns and peasantry of the “Andean trapeze” are served by organizations and federation of shanty towns like “Rimanacuy” that make plans, in addition to the assault of the “people’s dining rooms”, “mothers’ clubs”, and activity with women through the so-called “Direct Assistance Program”; and the recently created “Council for the Promotion of Youth”, to which must be added the capture of “professional colleges”, etc. And what can in no way be ignored is the trade union parallelism and, very especially, the formation of shock groups that the APRA has been rapidly setting up, as well as the eagerness to pit masses against masses, as has been seen in the use of the PAIT in the teachers’ and doctors’ strikes. But the setting up of this corporate structure cannot be separated from the fascist political conception whose expression can be seen in the parliamentary crisis in which the Legislative Power is sinking deeper and deeper, in the systematic denial of rights and liberties and in the actions and gestures of a *condottiere* shown by García Pérez, whom his closest henchmen call “leader”. In synthesis, is there the vaunted “democratic State”? No, not at all, since what is taking place and being prepared is the substitution of the democratic-representative order for a corporative social reordering under the direction of a fascist policy that is already making its way and is expressed as a black future.

The self-proclaimed “people’s State”. “However, said the message of ‘85, the people’s State, must give answers to the most immediate and serious problems suffered by the country”. How has the economy been managed for the benefit of the masses? In the same message he already warned: “I announce, because it is my duty, that we will set in motion a hard economic program of government that will order the economy towards the revolutionary transformation...” (The underline is ours). As soon as García Pérez took office, he immediately put into effect an emergency plan, which was a copy, although with limitations, of Alfonsín’s Argentine plan within the criteria of the so-called “expansionary-adjustment”

(a criterion which had the approval of J. de Larosi re, head of the IMF, and let us bear in mind that the same plan was for adjusting to the Fund); which had to be readjusted in October, later in February and recently in July; generalizing, we can say that more and more it has been adjusting to the needs of developing bureaucrat-capitalism subject to imperialism, mainly Yankee and linked to semi-feudalism, focusing on overcoming the crisis it has been suffering since 1974 and seeking the so longed for “reactivation of the economy”. For a long time, the great success of the “new economy” was propagandized, however, the reality is different and has led to the “call for reflection” proposed by the President and to face reality and put an end to the triumphalism prevailing for months.

Develop the People’s War, Serving the World Revolution
August 1986

On the CONTENT of Maoism, of its substance, we must point out the following basic issues:

1. Theory. Marxism has three parts: Marxist philosophy, Marxist political economy, and scientific socialism. The development of all these three components gives rise to a great qualitative leap of Marxism as a whole, as a unity on a superior level, which implies a new stage. Consequently, the essential thing is to show that Chairman Mao, as can be seen in theory and practice, has generated such a great qualitative leap. Let us highlight this with the following points:

In Marxist philosophy he developed the essence of dialectics, the law of contradiction, establishing it as the only fundamental law; and besides his profound dialectical understanding of the theory of knowledge, whose center are the two leaps that make up its law (from practice to knowledge and vice versa, but with knowledge to practice being the main one). We emphasize that he masterfully applied the law of

contradiction in politics; and moreover he brought philosophy to the masses of people, fulfilling the task that Marx left.

In Marxist political economy, Chairman Mao applied dialectics to analyze the relationship between the base and superstructure, and, continuing the struggle of Marxism-Leninism against the revisionist thesis of the “productive forces”, he concluded that the superstructure, consciousness, can modify the base, and that with political power the productive forces can be developed. By developing the Leninist idea that politics is the concentrated expression of economics, he established that politics must be in command, (applicable on all levels) and that political work is the life-line of economic work; which takes us to the true handling of political economy, not just a simple economic policy.

Despite its importance, an issue which is often sidestepped, especially by those who face democratic revolutions, is the Maoist thesis of bureaucrat-capitalism; that is, the capitalism which is being developed in the oppressed nations by imperialism along with different degrees of underlying feudalism, or even pre-feudal stages. This is a vital problem, mainly in Asia, Africa and Latin America, since a good revolutionary leadership derives from its understanding, especially when the confiscation of bureaucrat capital forms the economic basis for carrying forward the socialist revolution as the second stage.

But the main thing is that Chairman Mao Tse-tung has developed the political economy of socialism. Of the utmost importance is his criticism of socialist construction in the Soviet Union, as well as his theses on how to develop socialism in China: Taking agriculture as the base and industry as the leading economic force, promoting industrialization guided by the relationship between heavy industry, light industry and agriculture; taking heavy industry as the center of economic construction and simultaneously paying full attention to light industry and agriculture. The Great Leap Forward and the conditions for its execution should be highlighted: One, the

political line that gives it a just and correct course; two, small, medium, and large organizational forms in a greater to lesser quantity, respectively; three, a great drive, a gigantic effort of the masses of people in order to put it in motion and to take it through to success, a leap forward whose results are valued more for the new process set in motion and its historical perspective than its immediate achievements, and its linkage with agricultural collectivization and the people's communes. Finally, we must bear well in mind his teachings on the objectivity and the subjectivity in understanding and handling the laws of socialism, that because the few decades of socialism have not permitted it to see its complete development, and therefore a better understanding of its laws and its specification, and principally the relationship that exists between revolution and the economic process, embodied in the slogan "grasp revolution and promote production". Despite its transcendental importance, this development of Marxist political economy has received scant attention.

In scientific socialism, Chairman Mao further developed the theory of social classes analyzing them on economic, political, and ideological planes. He upheld revolutionary violence as a universal law without any exception whatsoever; revolution as a violent displacement of one class by another, thus establishing the great thesis that "political power grows out of the barrel of a gun". He resolved the question of the conquest of political power in the oppressed nations through the path of surrounding the cities from the countryside, establishing its general laws. He defined and developed the theory of the class struggle within socialism in which he brilliantly demonstrated that the antagonistic struggle between the proletariat and the bourgeoisie, between the socialist road and the capitalist road, and between socialism and capitalism continues. That in socialism it was not concretely determined who would defeat whom, that it was a problem whose solution demands time, the unfolding of a process of restoration and counter-restoration, in order for the proletariat to

strongly hold political power definitely through the proletarian dictatorship; and, finally and principally, the grandiose solution of historical transcendence, the Great Proletarian Cultural Revolution as the continuation of the socialist revolution under the proletarian dictatorship.

These basic questions, simply and plainly stated but known and undeniable, show the Chairman's development of the integral parts of Marxism, and the evident raising of Marxism-Leninism to a new, third and superior stage: Marxism-Leninism-Maoism, principally Maoism.

Continuing with this brief synthesis, let us look at other specific points which, although deriving from the above, should be considered even if only enumeratively, to emphasize and pay due attention to them.

[...]

We must study Gonzalo Thought, starting from the historical context that generated it; examine the ideological base which sustains it; explain its content, more substantially expressed in the general political line and in the military line which is its center; aiming at what is fundamental within it, the problem of political power, of the seizure of power in Perú, which is inextricably linked to the conquest of power by the proletariat in the whole world; and we must pay close attention to its forging in the two-line struggle.

In synthesis, these fundamental issues can be dealt with by applying the following scheme:

I. HISTORICAL CONTEXT.

International context. In relationship to historical events: 1) the development since the Second World War onwards; 2) the powerful national liberation movement and, within it, the process and triumph of the Chinese Revolution; 3) the Cuban Revolution and its repercussion on Latin America; 4) the great struggle between Marxism and revisionism; 5) the Great Proletarian Cultural Revolution. But the key point is to see

how, in this great class struggle on the world level, Gonzalo Thought considers that a third stage of the proletarian ideology arises: First, as Marxism-Leninism, Mao Tse-tung Thought; then Marxism-Leninism-Mao Tse-tung Thought; and later, it is defined as Maoism, understanding its universal validity; and in this way reaching Marxism-Leninism-Maoism, principally Maoism, as the present expression of Marxism.

National context. 1) the postwar Peruvian society and within it the political struggle, the so called National Democratic Front, the action of APRA, Odría's coup d'état and the struggle against his Eight Year Rule, the contest between APRA followers and Communists; and particularly, the development of bureaucrat-capitalism in the 1960s and part of the 1970s and the sharp class struggle that accompanied it; "Velasquism" and its so-called revolution, the contention and collusion between the comprador bourgeoisie and the bureaucrat bourgeoisie (factions of the big bourgeoisie), and opportunism and mainly revisionism by their supporters; 2) the class struggle in the peasant movement; 3) the process of the working class movement; 4) the intellectual movement; 5) the armed struggle in the country, especially by the MIR [Movement of the Revolutionary Left] and the ELN [National Liberation Army] in 1965, as well as their antecedents in Blanco, Vallejos, and Heraud; and 6) the problem of the Party: How a Party founded on a clear Marxist-Leninist basis degenerated into a revisionist party, the need to retake Mariátegui's path, develop it, and to reconstitute the Party, the Communist Party of Perú that Mariátegui himself founded in 1928, and how through this reconstitution a Marxist-Leninist-Maoist Party was built. Here it is fundamental how Gonzalo Thought profoundly understood Peruvian society, and focused on the crucial problem of bureaucrat-capitalism, and saw the need to reconstitute the Party and to conquer Political Power and defend it with the People's War.

[...]

III. CONTENTS.

a. Theory. How it understands and applies the three integral parts of Marxism-Leninism-Maoism, mainly Maoism; it emphasizes the importance that Marxism gives to philosophy, the necessity of forming ourselves in it, and especially its application of the law of contradiction in the study of every problem, always aiming at defining the principal aspect and the process of things; in political economy, the concern about the relations of exploitation, and especially about bureaucrat-capitalism, orienting itself towards ripening the revolution and the repercussion of the People's War on the base, as well as paying attention to the economic relations of imperialism, looking for their political consequences; in scientific socialism it centers on the People's War and its concrete expression in the country, since it always has the problem of political power in mind and, particularly, its shaping and development as a New State.

[...]

The Communist Party of Perú has Communism as its final goal; given that the current Peruvian society is oppressed and exploited by imperialism, bureaucrat-capitalism, and semi-feudalism, the revolution has first a democratic stage, then a second socialist one that will later develop successive cultural revolutions. Presently with the People's War the Party develops the democratic revolution, having as its immediate goal to seize power countrywide. Because of this we raise the following objectives:

GENERAL PROGRAMME OF THE DEMOCRATIC REVOLUTION

1. Demolition of the Peruvian State, the dictatorship of the exploiters led by the big bourgeoisie, and of the armed forces and forces of repression that sustain it and of all its his bureaucratic apparatus.

2. To sweep away all imperialist oppression, mainly Yankee, and that of Soviet social-imperialism and of any power or imperialist country. In general to confiscate their monopolies, companies, banks and all forms of their property including the external debt.

3. To destroy bureaucrat-capitalism, private as well as state owned; to confiscate all their properties, goods and economic rights to benefit of new state, as well as those belonging to imperialism.

4. Liquidation of semi-feudal property and everything subsisting on it, in the countryside as well as in the city.

5. Respect the property and rights of the national bourgeoisie, or middle bourgeoisie, in the country as well as in the city.

6. Fight for the setting-up of the People's Republic of Perú, as a united front of classes based on the worker-peasant alliance led by the proletariat headed by its Communist Party; as a mold for the new democracy that carries forward a new economy, a new politics, and a new culture.

7. Develop the People's War that, through a revolutionary army of a new type under the absolute control of the Party, destroys the old power a piece at a time, mainly their armed forces and other repressive forces. This serves to build the new power for the proletariat and the people.

8. To complete the formation of the Peruvian nation, truly unifying the country to defend it from all reactionary and imperialist aggression, safeguarding the rights of the minorities.

9. To serve the development of the Peruvian proletariat as part of the international working class, and the formation and strengthening of real Communist Parties and their unification in a revived international Communist movement guided by the Marxism-Leninism-Maoism; all as a function of the proletariat fulfilling its great historical mission as the final class.

10. To defend the freedoms, rights, benefits, and conquests that the working class and the masses have achieved at the cost of their own blood, recognizing them and

guaranteeing their authentic enforcement in a “Declaration of the Rights of the People”. To observe, particularly, the freedom of religious conscience, but in its widest sense, of believing as not to believe. Also to combat all arrangements harmful to the popular interest, especially any form of unpaid work or personal burden and the overwhelming taxes imposed on the masses.

11. Real equality for women; a better future for the youth; protection for the mothers and the children; respect and support for the elderly.

12. A new culture as a combat weapon to solidify the nation, that serves the popular masses and is guided by the scientific ideology of the proletariat. Special importance to education will be given.

13. To support the struggles of the international proletariat, of the oppressed nations, and of the peoples of the world; fighting against the superpowers, the United States and Soviet Union, imperialism in general, and international reaction and revisionism of all types, conceiving the Peruvian revolution as part of the world proletarian revolution.

14. To struggle tenaciously and heroically for the complete victory and of the democratic revolution nationwide and after completing this stage, at once, without pause, to begin the socialist revolution so that, together with the international proletariat, the oppressed nations and the peoples of the world, through cultural revolutions, will continue the march of humanity towards its final goal, Communism.

Fundamental Documents
1988

EL DIARIO: Chairman, let’s talk about one of the ideological foundations of the CPP, Maoism. Why do you consider Maoism the third stage of Marxism?

CHAIRMAN GONZALO: This point is crucial, and of enormous consequence. For us, Marxism is a process of development, and this great process has given us a new, third, and higher stage. Why do we say that we are in a new, third, and higher stage, Maoism? We say this because in examining the three component parts of Marxism, it is clearly evident that Chairman Mao Tse-tung has developed each one of these three parts. Let's enumerate them: in Marxist philosophy no one can deny his great contribution to the development of dialectics, focusing on the law of contradiction, establishing that it is the only fundamental law. On political economy, it will suffice to highlight two things. The first, of immediate and concrete importance for us, is bureaucrat capitalism, and second, the development of the political economy of socialism, since in synthesis we can say that it is Mao who really established and developed the political economy of socialism. With regard to scientific socialism, it is enough to point to people's war, since it is with Chairman Mao Tse-tung that the international proletariat has attained a fully developed military theory, giving us then the military theory of our class, the proletariat, applicable everywhere. We believe that these three questions demonstrate a development of universal character. Looked at in this way what we have is a new stage--and we call it the third one, because Marxism has two preceding stages, that of Marx and that of Lenin, which is why we speak of Marxism-Leninism. A higher stage, because with Maoism the ideology of the worldwide proletariat attains its highest development up to now, its loftiest peak, but with the understanding that Marxism is--if you'll excuse the reiteration--a dialectical unity that develops through great leaps, and that these great leaps are what give rise to stages. So for us, what exists in the world today is Marxism-Leninism-Maoism, and principally Maoism. We think that to be Marxists today, to be Communists, necessarily demands that we be Marxist-Leninist-Maoists and principally Maoists. Otherwise, we couldn't be genuine communists.

[...]

EL DIARIO: Why did the Communist Party of Peru initiate the people's war in 1980? What is the military and historical explanation for this? What social, economic and political analysis did the CPP carry out in order to launch the war?

CHAIRMAN GONZALO: We studied the country, particularly from World War II on, and we saw that in its process of development Peruvian society was entering a complex situation. The government's own analysis showed that critical questions would present themselves in the '80s. In Peru it can be seen that there is a crisis every 10 years in the second half of the decade and each crisis is worse than the one before. We also analyzed bureaucrat capitalism, which makes conditions more ripe for revolution. In 1980, the government was to change hands through elections, which meant that the new government would need a year and a half to two years to fully put in place the operations of its State. So we concluded that bureaucrat capitalism had ripened the conditions for revolution, and that the difficult decade of the '80s approached--with crisis, an elected government, etc. All this provided a very favorable conjuncture for initiating the people's war and refuted the position that armed struggle, or in our case people's war, cannot be initiated when there's a new government events have demonstrated the incorrectness of that position. Such was our evaluation, and such was the situation as the new government took over, that is, the military, having left the government after ruling for 12 years, could not easily take up the struggle against us right away, nor could they immediately take the helm of state again because they were worn down and had become discredited. These were the concrete facts, the reality.

Prior to that time, we had already put forward that participation in the Constituent Assembly was incorrect, that the only thing to do was to boycott it, because to participate in the Constituent Assembly was simply to serve the restructuring of the Peruvian State and to produce a constitution like

the one we have. All this was foreseeable, there was nothing that could not be foreseen in this case. Therefore, we had planned for some time to lay the basis to initiate the people's war, to make our move before the new government took office, which is what we did. We began the armed struggle on May 17, the day before the elections.

We thought that under these conditions we could initiate our actions and even unfold them broadly and advance to the greatest extent possible--and that is exactly what we did. We were also thinking that in the second part of the decade there would have to be a more serious crisis than the previous one and therefore, better conditions for advancing. The initiation of the people's war was planned based on these considerations. But it's been said that we didn't think but only acted dogmatically. In what way? Some people preach about dogma while swallowing anything they're told.

For these reasons we chose that moment, and the correctness of our decision has been borne out by events. It was obvious that Belaúnde--and this is something we discussed openly--would fear a coup d'état and therefore would restrain the armed forces. Was that difficult to foresee? No, because of the experience he had in 1968. These things could be calculated, and we've been taught to evaluate, analyze and weigh things--that's how we've been taught. The Chairman was very exacting with regard to these problems, especially in regard to preparation. We believe that events have confirmed our analysis. For two years the armed forces could not come in. Was that the case or not? Now they are saying that they burned the intelligence information that they had. In short, the new government had problems setting up its administration and the facts have shown that. Then came the crisis. The military has entered the battle with ever larger contingents and in fighting them for a number of years we are more powerful, we continue to flourish and develop. These were the reasons for initiating the people's war in 1980, and the facts

show that we were not wrong, at least not in the broad outlines, which is where one must not be wrong.

[...]

EL DIARIO: What changes do you think have taken place in Peruvian politics, in the economic base of society and among the masses as a result of eight years of people's war?

CHAIRMAN GONZALO: The first change is the development of a people's war that is advancing irrepressibly; which means that, for the first time, the democratic revolution is really being carried out in our country. This has changed all the terms of Peruvian politics. Hence, the reaction itself, their accomplices, beginning with the revisionists and their supporters on duty, whoever they may be, have concluded that the first and main problem facing the Peruvian State is the people's war. Thus, we are changing the world in this country. Out of this comes the most important and principal thing we've accomplished, the emergence and development of a New Power which marches forward and will end up extending itself throughout the country.

In the economic base, under the New Power we are establishing new relations of production. A concrete example of this is how we apply the land policy, utilizing collective work, and the organization of social life according to a new reality, with a joint dictatorship where for the first time workers, peasants and progressives rule--understanding this to mean those who want to transform this country by the only means possible -- people's war.

As for them, the reactionaries, without mentioning the economic drain of fighting the people's war, we are destroying bureaucrat capitalism, and for some time we've been undermining the gamonal basis for the semifeudal relations that sustain this whole structure, while at the same time strong blows against imperialism.

For the masses of our people, these heroic masses, principally for the proletariat, the leading class that we will always recognize; for the first time they are taking Power and they

have begun to taste the honey on their lips. They will not stop there. They will want it all, and they will get it.

[...]

EL DIARIO: Chairman, what is the CPP's analysis of the Peruvian state and where it is headed?

CHAIRMAN GONZALO: We have an understanding of the workings of contemporary Peruvian society, by which we mean the society which came into being in 1895. We believe that the process we are living through began then and that there have been three stages. The first stage laid the basis for the development of bureaucrat capitalism; the second stage, which deepened the development of bureaucrat capitalism, began after World War II, because the first stage lasted until then. This deeper development of bureaucrat capitalism ripened the conditions for revolution. With the beginning of the people's war in 1980, we entered the third stage, of the general crisis of bureaucrat capitalism. The destruction of contemporary Peruvian society has begun because it has become historically outmoded. Therefore what we are witnessing is its end and the only correct course is to battle, to fight, and to struggle to bury it.

EL DIARIO: Why do you consider the thesis of bureaucrat capitalism to be fundamental?

CHAIRMAN GONZALO: We consider this thesis of Chairman Mao Tse-tung to be key, because without understanding it and wielding it, it is not possible to carry out a democratic revolution, much less conceive of its uninterrupted continuation into the socialist revolution. It is really very wrong for this thesis of Chairman Mao's to be disregarded. Plainly, they jumble his analysis all up by talking to us about the development of capitalism in backward countries or dependent capitalism, which leads to nothing but changing the character of the revolution. We believe that it is by taking Chairman Mao as our starting point that we are going to really understand Peruvian society and those societies that they call backward.

We understand that bureaucrat capitalism began to emerge in Peru in 1895 through the three stages that I previously outlined. We conceive of it this way: capitalism developed on top of a semi-feudal base, and under imperialist domination. It is a capitalism born late born tied to feudalism and subordinated to imperialist domination. These are the conditions that produce what Chairman Mao Tse-tung has called bureaucrat capitalism. So, bureaucrat capitalism develops bound to big monopoly capital which controls the economy of the country. This capital is made up, as Chairman Mao said, of the big capital of the large landlords, the comprador bourgeoisie, and the big bankers. Thus bureaucrat capitalism emerges, bound, I repeat, to feudalism, subordinated to imperialism, and it is monopolistic. We must keep this in mind, it is monopolistic. At a certain point in its development this capitalism is combined with state power and uses the economic means of the State, uses the State as an economic lever and this process gives rise to another faction of the big bourgeoisie, the bureaucrat bourgeoisie. This gives rise to a further development of bureaucrat capitalism which was already monopolistic and becomes, in turn, state-owned. But this whole process gives rise to conditions which ripen the revolution. This is another important concept, politically speaking, that the Chairman laid out about bureaucrat capitalism.

If we understand bureaucrat capitalism, we can understand very well how Peru has semi-feudal conditions, bureaucrat capitalism, and imperialist, mainly Yankee, domination. This is what we must understand, and what allows us to understand and lead the democratic revolution.

Now, what other importance does bureaucrat capitalism have? The Chairman says that the democratic revolution realizes some socialist advances which, he says, were already expressing themselves, for example, in the mutual aid teams in the Base Areas of the countryside. To move from the democratic to the socialist revolution it is key, from an economic point of view, to confiscate all bureaucrat capital, which will

permit the New State to control the economy, to direct it and, in this way, serve the development of the socialist revolution. We understand that this strategic concept is of great importance and, I reiterate, it is unfortunately being disregarded, and as long as it is disregarded, it will not be possible to correctly understand what a democratic revolution is under the present circumstances in which we struggle.

It is erroneous to think that bureaucrat capitalism is the capitalism that the State develops with the economic means of production that it directly controls. This is erroneous, and it does not conform to Chairman Mao's thesis. Just think of it like this: if bureaucrat capital were only state-owned capitalism, and you confiscated this state-owned capital, in whose hands would the other, non-state-owned monopoly capital remain? In the hands of reaction, of the big bourgeoisie. This view which identifies bureaucrat capitalism with state monopoly capitalism is a revisionist concept and in our Party it was upheld by the left liquidationists. Hence, we understand this problem to be a very important one.

Furthermore, politically it allows us to differentiate very clearly between the big bourgeoisie and the national or middle bourgeoisie. And this gives us the means to understand, so that we don't pin ourselves to the tail of any faction of the big bourgeoisie, either the comprador or bureaucrat bourgeoisies, which is what revisionism and opportunism have done and continue to do in Peru. There have been decades of this perverse policy of labeling one faction of the big bourgeoisie the national bourgeoisie, hence progressive, and supporting them. Grasping bureaucrat capitalism permitted us to more clearly understand the differentiation, I repeat, between the national bourgeoisie and the big bourgeoisie, and grasp the correct tactics to carry out, taking up again precisely what Mariátegui had established. For this reason we consider the thesis on bureaucrat capitalism to be of utmost importance.

EL DIARIO: How would you sum up your political and economic analysis of the present conjuncture and its

prospects? Is this situation perhaps favorable for the CPP? What does it pose for the reaction, revisionism and opportunism?

CHAIRMAN GONZALO: We believe that bureaucrat capitalism has entered into a general crisis. Moreover, we believe that this bureaucrat capitalism was born sick, because it derived from semi-feudalism (or is tied to it) and from imperialism. Semi-feudalism is obviously outmoded, and imperialism is moribund. What kind of child could come from these two parents condemned to death by incurable disease? A sick, stunted monster that has entered its phase of destruction. We think that the crises will become sharper and sharper, that, even as some economists say, there have been more or less 30 years of crisis from which we have not emerged except for some small ripples of recovery. Or, as APRA says in its own internal documents, this is a crisis that has existed since the middle of the '70s.

We can see that each new crisis is worse than the previous one. And if we add to this the two critical decades of the '80s and '90s, back to back, the situation becomes clear. What do they themselves say? That this government will leave behind an extremely grave situation, and that those who follow, supposing that others do follow through their electoral renovation, will have to seek some way to overcome the problems left behind, and consequently, not until 1995 can they even think about any kind of development--and this is being said in a country which is already twenty years behind. Because of all this we think the prospects for them are extremely bleak. Is this favorable for the revolution, for the people's war, for the Party? Yes, it is. First and foremost for our class and the people, because all our work is for them, so that our class can rule, lead, so that the people can exercise their freedom and satisfy their centuries-old hunger. We see no prospects whatever for revisionism and reaction. We believe that they are united, they are like Siamese twins, and they will march together to the grave. This is what we think.

We consider Chairman Mao Tse-tung's thesis on **the differentiation of the three worlds** as just and correct and that it is connected with Lenin's thesis on the distribution of forces in the world based on the analysis of classes and contradictions. We reject the opportunist and revisionist distortion by Teng Hsiao-ping of the three worlds that tends toward following at the tail of the U.S. and selling out the revolution. From this point of departure, Chairman Gonzalo analyzes the current situation in which the three worlds are delineated and demonstrates that it is a reality. The first world is the two superpowers, the U.S. and the USSR which contend for global hegemony and which can unleash an imperialist war. They are superpowers because they are economically, politically, and militarily more powerful than the other powers. The U.S. has an economy centered on the monopoly of non-state property; politically, it unfolds a bourgeois democracy with a growing restriction of rights. It is a reactionary liberalism; militarily, it is the most powerful in the West and has a longer process of development. The USSR is economically based on a state monopoly, with a politically fascist dictatorship of a bureaucrat bourgeoisie and is a high-level military power although its process of development is shorter. The U.S. seeks to maintain its dominions and also to expand them. The USSR aims more towards expansion because it is a new superpower and economically it is interested to capture Europe to improve its conditions. In synthesis, they are two superpowers which do not constitute a block but which have contradictions, clear mutual differences, and they move within the law of collusion and contention for the re-division of the world. The second world consists of the imperialist powers which are not superpowers, but have less economic,

political, and military power such as Japan, Germany, France, Italy, etc. which have contradictions with the superpowers because they sustain, for example, the devaluation of the dollar, military restrictions, and political impositions; these imperialist powers want to take advantage of the contention between the superpowers in order for them to emerge as new superpowers, and they also unleash wars of aggression against the oppressed nations and furthermore, acute contradictions exist among them. The third world is composed of the oppressed nations of Asia, Africa, and Latin America. They are colonies or semi-colonies where feudalism has not been destroyed, and on that basis a bureaucrat capitalism unfolds. They find themselves subject to one or another superpower or imperialist power. They have contradictions with imperialism, furthermore they fight against their own big bourgeoisie and landlords, both of which are at the service of and in collusion with imperialism, especially with the superpowers.

International Line
1988

The war with Chile was waged from 1879 to 1883, and it led to the collapse of the Peruvian economy. Shortly thereafter, in 1895 it entered the beginning of bureaucrat-capitalism that initiated the development of contemporary Peruvian society. As the XIX Century passed, Peru went from being a colony to a semi-colony and from feudal to semi-feudal. Bureaucrat-capitalism bound to US imperialism began to develop, and thus displaced the English. The modern proletariat emerged which changed the terms of the political struggle.

From this historical process the following lessons are drawn: That the people have always struggled, they are not peaceful and they apply revolutionary violence with the means they have at hand; that the peasant struggles are those

which have most shaken the foundations of society, and these struggles have not triumphed because they lacked the leadership of the proletariat represented by the Communist Party; and that political and military events determine the major social changes.

Military Line
1988

Later, in characterizing contemporary Peruvian society, Chairman Gonzalo says: “. . . contemporary Peru is a **semi-feudal and semi-colonial society in which bureaucrat capitalism develops.**” Although Mariátegui had defined this well in Point Three of the Program of the Constitution of the Party, it is in the light of Marxism-Leninism-Maoism, mainly Maoism, that Chairman Gonzalo has demonstrated how this semi-feudal and semi-colonial character maintains itself and develops new modalities, and in particular how bureaucrat capitalism has developed on this foundation throughout the entire process of contemporary society. This a question of highest importance in order to understand the character of society and of the Peruvian revolution.

Bureaucrat capitalism is a fundamental thesis of Chairman Mao's that it is not yet understood nor accepted by all the Marxists throughout the world, which for obvious historical reasons was not known to Mariátegui, and that Chairman Gonzalo applies to the concrete conditions of our country. He maintains that in order to analyze the contemporary social process, one must start from three intimately linked questions: **The moments that bureaucrat capitalism is going through;** the process of the proletariat shaped in its highest expression, the Communist Party; and the road that the revolution must follow. He teaches us that since 1895 **three historical moments can be differentiated in contemporary Peruvian society: 1st moment.** The development of

bureaucrat capitalism. The constitution of the CPP. Definition and outlining of the path of surrounding the cities from the countryside. **2nd moment.** The deepening of bureaucrat capitalism. Reconstitution of the CPP. Establishment of the road of surrounding the cities from the countryside. **3rd moment.** The general crisis of bureaucrat capitalism. The leadership of the CPP in the People's War. Application and development of the road of surrounding the cities from the countryside.

At the same time, he expounds that contemporary Peruvian society is in a **generalized crisis**, a serious and incurable illness that can only be transformed through the armed struggle. The Communist Party of Peru is leading the people in carrying this out, as there is no other solution.

[...]

Next, he accurately establishes the character and the results of the agrarian laws passed by the old State, proving the subsistence of semi-feudalism, whose existence today is often denied. He characterizes the Basic Law of Pérez Godoy of 1962, the Law 15037 of 1964 and the Law 17716 of 1969 (essentially corporative that fomented big associative property) as being three laws of buying and selling, executed by the bureaucratic apparatus of the State to develop bureaucrat capitalism. He warns that the Law of Promoting Agriculture of 1980 treats the land question as resolved and at the same time advocates associative property and the return of the gamonals to invigorate bureaucrat capitalism, which is also under the control of the big bankers and has the direct participation of US imperialism. This is the path that the fascist and corporatist APRA government follows, retaking the fascist and corporative “agrarian reform” of Velasco, raising cries of “revolutionizing agriculture” to thus strengthen gamonalism; that treats the land question as resolved and centers around productivity; that gives the law of communities and the law of peasant *rondas*[10] in order to deepen bureaucrat capitalism and to spread it to every corner of the country;

that calls the masses to corporativization, aiming at the peasant communities as the foundation of their corporative zeal, which equally serves the creation of the micro-regions, the regions, CORDES and other fascist and corporative creations. All of this signifies nothing except new modalities of concentration of the old big-landlord property, still not destroyed, and it is the old landlord's road followed in contemporary Peru that was promoted in the 1920s, deepened in the 1950s and especially in the 1960s, and which is still pursued today under new conditions.

[...]

Regarding **bureaucrat capitalism**, Chairman Gonzalo states that understanding it is essential to the understanding of Peruvian society. Taking up Chairman Mao's thesis, he teaches us that it has five characteristics: 1) that bureaucrat capitalism is the capitalism that imperialism develops in the backward countries, which is comprised of the capital of large landlords, the big bankers, and the magnates of the big bourgeoisie; 2) it exploits the proletariat, the peasantry, and the petty bourgeoisie and restricts the middle bourgeoisie; 3) it is passing through a process in which bureaucrat capitalism is combined with the power of the State and becomes State monopoly capitalism, comprador and feudal, from which can be derived that in a first moment it unfolds as a non-State big monopoly capitalism and in a second moment, when it is combined with the power of the State, it unfolds as state monopoly capitalism; 4) it ripens the conditions for the democratic revolution as it reaches the apex of its development; and, 5) confiscating bureaucrat capital is key to reaching the pinnacle of the democratic revolution and it is decisive to pass over to the socialist revolution.

In applying the above, he conceives that bureaucrat capitalism is the capitalism that imperialism generates in backward countries, which is tied to a decayed feudalism and subjugated to imperialism which is the last phase of capitalism. This system does not serve the majority of the people but

only the imperialists, the big bourgeoisie, and the landlords. Mariátegui has established that the bourgeoisie, for example upon creating banks, generates a capital surrendered to imperialism and tied to feudalism. Chairman Gonzalo masterfully establishes that the capitalism that is unfolding in Peru is a bureaucrat capitalism hindered by the surviving shackles of semi-feudalism that bind it on the one hand, and on the other hand is subjugated to imperialism which does not permit the development of the national economy; it is, thus, a bureaucrat capitalism that oppresses and exploits the proletariat, the peasantry, and the petty bourgeoisie, and that restrains the middle bourgeoisie. Why? Because the capitalism that develops is a delayed process that only allows an economy to serve imperialist interests. It is a capitalism that represents the big bourgeoisie, the landlords and the rich peasants of the old type, the classes that constitute a minority but which exploit and oppress the large majority, the masses.

He analyzes the **process** that bureaucrat capitalism has followed in Peru, the first historical moment which develops from 1895 to the Second World War, in which, during the 1920s, the comprador bourgeoisie assumes control of the State, displacing the landlords but respecting their interests. The second moment is from the Second World War to 1980, a period of its deepening, during which a branch of the big bourgeoisie evolves into the bureaucrat bourgeoisie, which began in 1939 during the first government of Prado when the participation of the State in the economic process begins. Subsequently, this participation has grown more and more, and is due to the fact that the big bourgeoisie, because of a lack of capital, is not capable of deepening bureaucrat capitalism. Thus a clash between both factions of the big bourgeoisie is generated, between the bureaucrat and the comprador bourgeoisie. In 1968, the bureaucrat bourgeoisie takes the leadership of the State through the armed forces by means of the military coup of Velasco, which in turn generates a great growth in the State economy. The number of State-owned

companies, for example, increased from 18 to 180; therefore the State passes to become the motor of the economy led by the bureaucrat bourgeoisie, but it is during this moment that the economy enters into a grave crisis. The third moment is from 1980 onward, in which bureaucrat capitalism enters into a general crisis and its final destruction, a moment which begins with the People's War. Since it is a capitalism that is born in critical condition, sick, rotten, tied to feudalism and subjugated to imperialism, at this time it enters into a general crisis, to its destruction, and no measure can save it. At best it shall lengthen its agony. On the other hand, like a beast in mortal agony, it will defend itself by seeking to crush the revolution.

If we see this process from the people's road, in the first moment the CPP was constituted with Mariátegui in 1928, and the history of the country was divided into two; in the second, the CPP was reconstituted as a Party of a new type with Chairman Gonzalo and revisionism was purged; and in the third, the CPP starts to lead the People's War, a transcendental milestone which radically changed history by taking the qualitatively superior leap of making the seizure of power a reality by way of armed force and the People's War. All of this only proves the **political aspect** of bureaucrat capitalism that is rarely emphasized, but which Chairman Gonzalo considers as the key question: Bureaucrat capitalism ripens the conditions for revolution, and today as it enters into its final phase, it ripens the conditions for the development and victory of the revolution.

It is also very important to see how bureaucrat capitalism **is shaped by non-State monopoly capitalism and by State monopoly capitalism**, that is the reason why he differentiates between the two factions of the big bourgeoisie, the bureaucrat and the comprador, in order to avoid tailing behind one or the other, a problem that led our Party to 30 years of wrong tactics. It is important to understand it this way, since the confiscation of bureaucrat capitalism by the New Power leads to the completion of the democratic

revolution and the advance into the socialist revolution. If only the State monopoly capitalism is targeted, the other part would remain free, the non-State monopoly capital, and the big comprador bourgeoisie would remain economically able to lift its head to snatch away the leadership of the revolution and to prevent its passage to the socialist revolution.

Furthermore, Chairman Gonzalo generalizes that bureaucrat capitalism is not a process peculiar to China or to Peru, but that it **follows the belated conditions in which the various imperialists subjugate the oppressed nations** of Asia, Africa, and Latin America, at a time when these oppressed nations have not yet destroyed the vestiges of feudalism, much less developed capitalism.

In synthesis, the key question to understand the process of contemporary Peruvian society and the character of the revolution is this Marxist-Leninist-Maoist, Gonzalo Thought thesis on bureaucrat capitalism, which is a contribution to the world revolution that we Marxist-Leninist-Maoists have firmly assumed with Gonzalo Thought.

What **type of State** is sustained by this semi-feudal and semi-colonial society, upon which bureaucrat capitalism is unfolding? Having analyzed contemporary Peruvian society and basing himself on the masterful Maoist thesis in “On New Democracy” which expounds that the many State systems in the world can be classified according to their class character into three fundamental types: 1) Republics under the dictatorship of the bourgeoisie, which also include the old democratic States and may include the States under the joint dictatorship of landlords and the big bourgeoisie; 2) republics under the dictatorship of the proletariat; and 3) republics under the joint dictatorship of the revolutionary classes. Chairman Gonzalo establishes that the character of the old reactionary State in Peru is of the first type, a joint dictatorship of landlords and the big bourgeoisie, the bureaucrat or comprador bourgeoisie that in collusion and contention struggle for the leadership of the State. Since the historical tendency in

Peru is that the bureaucrat bourgeoisie imposes itself, this necessarily implies a very acute and long struggle, especially since today the bureaucrat bourgeoisie is in command of the old landlord-bureaucrat state.

At the same time he differentiates between the system of the State and the system of government. They are parts of a whole; the former being the place that classes occupy within the state and the latter is the form in which power is organized. Chairman Mao taught that the main thing is to define the class character of a state, since the forms of government that are introduced can be civilian or military, with elections or by decree, liberal-democratic or fascist, but they always represent the dictatorship of the reactionary classes. To not see the old State in this way is to fall into the trap of identifying a dictatorship with a military regime and to think that a civilian government is not a dictatorship, thus tailing behind one of the factions in the big bourgeoisie behind the tale of “defending democracy” or “avoiding military coups,” positions that instead of destroying the old State, support it and defend it. Such is the case in Peru with the revisionists and opportunists of the United Left.

The old State is subordinated to imperialism, in our case mainly US imperialism, which is propped up by its spine, the reactionary armed forces, and counts on an ever-growing bureaucracy. The armed forces have the same character as the State that they support and defend.

Chairman Gonzalo tells us clearly: “It is this social system that the ruling classes and their US imperialist masters usufruct from and defend with blood and fire, through their landlord-bureaucrat state sustained by their reactionary armed forces; constantly exercising their class dictatorship (of the big bourgeoisie and landlords), either through a de facto military government...or through governments stemming from elections and so-called constitutional ones...” and, “...this decayed system of exploitation destroys and halts the

powerful creative forces of the people, the only forces capable of the deepest revolutionary transformation...”

[...]

Chairman Gonzalo teaches us that there are three targets of the democratic revolution: Imperialism, bureaucrat capitalism and semi-feudalism, with one of them being the main target according to the moment in which the revolution takes place. Today, in the period of the agrarian war, the main target is semi-feudalism.

Imperialism, mainly US, because for us it is the main imperialism that dominates and that tries to ensure its dominance more and drives home our situation as a semi-colonial country, but we must also ward off penetration by Russian social-imperialism and of the other imperialist powers. We must use the various factions of the old State to sharpen their contradictions and isolate the main enemy in order to strike at it. Bureaucrat capitalism is the constant barrier of the democratic revolution; it acts to maintain semi-feudalism and semi-colonialism at the service of imperialism. And so is semi-feudalism that subsists today under new modalities but which still constitutes the basic problem of the country.

10. The rondas were reactionary militias set up by the Peruvian Armed Forces in order to fight the People's War and pit the people against each other.

Democratic Revolution
1988

The electoral process highlights fundamental problems in Peruvian society, despite the pretensions of covering them up: First, the subsistence of semi-feudalism, basis of the agricultural production crisis, bringing back to the forefront the land problem which supposedly had been overcome. Second, the

existence of bureaucrat-capitalism, which is sustained in economic underdevelopment tied to imperialist domination; imperialism, mainly Yankee, as always sucking us dry of our blood and getting ready to suck us drier yet. In synthesis, it shows the generalized crisis of an obsolete society having only one solution: revolution, the victory of the ongoing People's War. On the other hand, the disastrous result obtained by the APRA government headed by the genocidal demagogue Garcia Perez, is evident. In 1985, we said that the new government would provoke more hunger and would be still more genocidal; today hunger eats away and devours the class and the people; and while according to data from the so-called "Pacification Commission" of the Senate, the Belaunde government bloodied the country with 5,880 dead, the current one surpassed it with 8,504 dead from 1985 to 88, and with another 3,198 dead in 1989. Both of our 1985 predictions were correct, and in fact the APRA government of Garcia Perez created more hunger and more genocide than any previous one in Peruvian history. The people will never forget him! All of which is sharpened and accented even more by the uncertainty of the first round of the election and the postponement of the resolution until the runoff.

[...]

To conclude this fundamental question of the class struggle, in the classic texts of Marxism we can see what Mao Tse-tung established about imperialism, a key theme developed by him. We begin with the nature of imperialism and reaction as a paper tiger: *"All reactionaries are paper tigers. They appear terrible, but in reality they are not so powerful. Seen in perspective, it is not the reactionaries but the people who are truly powerful."* And: *"The United States is a paper tiger. Don't believe in it. It can be pierced in one blow. The revisionist Soviet Union is also a paper tiger."* And on the double character of imperialism and reaction:

"Just as there is not a single thing in the world without a dual nature (this is the law of the unity of opposites), so imperialism and all reactionaries have a dual nature they are real tigers and paper, tigers at the

same time. In past history before they won state power and for some time afterwards, the slave-owning class, the feudal landlord class and the bourgeoisie were vigorous, revolutionary, and progressive, they were real tigers. But with the lapse of time, because their opposites (the slave class, the peasant class and the proletariat) grew in strength step by step, the struggle against ruling classes changed step by step changed into backward people, changed into paper dyers. were overthrown, or will be overthrown, by the people. The reactionary, backward, decaying classes retained this dual nature even in their last life-and-death struggles against the people. On the one hand, they were real dyers; they ate people, ate people by the millions and tens of millions. The cause of the people's struggle went through a period of difficulties and hardships, and along the path there were many twists and turns. To destroy the rule of imperialism, feudalism and bureaucrat-capitalism in China took the Chinese people more than a hundred years and cost them tens of millions of lives before the victory in 1949. Look! Were these not living tigers, iron tigers, real dyers? But in the end they changed into paper tigers, dead tigers, bean-curd dyers. These are historical facts. Have people not seen or heard about these facts? There have indeed been thousands and tens of thousands of them! Thousands and tens of thousands! Hence imperialism and all reactionaries, looked at in essence, from a long-term point of view, from a strategic point of view, must be seen for what they are paper tigers. On this we should build our strategic thinking. On the other hand, they are also living tigers, iron tigers, real tigers which can eat people. On this we should build our tactical thinking." [Intervention at a meeting of the Political Bureau of the Central Committee of the Communist Party of China held at Wuchang, SW, Vol. 4, Talk With the American Correspondent Anna Louise Strong, August 1946]

Elections, No! People's War, Yes!
May 1990

“3) Some political issues.

In the government's new plan, they are handling the three counterrevolutionary tasks, starting, in order of priorities, with the re-impulse of bureaucrat-capitalism aiming at conjuring inflation and its "reinsertion" in the international financial system, which is nothing more than submission to all the conditions of imperialism. Secondly, to annihilate the people's war by persisting in genocide, in actions of prevention, reprisal actions, war without prisoners and disappearances; that of the different "new strategy" is nothing but demagoguery of the crafty Fujimori that will quickly fall apart; what is concrete is that up to today he has not defined a "new strategy". And thirdly, they are aiming to manage the restructuring of the State and they are beginning to use fascist criteria and positions, for example "popular participation", "integral democracy", etc. Behind Fujimori, as it served Garcia yesterday, is the ILD, directed by Hernando de Soto, international bureaucrat, agent of Yankee imperialism and main advisor to Fujimori; this Institute for Liberty and Democracy (ILD) is taking over more and more state, economic and diplomatic positions; the so-called "Fujimori doctrine" was elaborated by them; the decree on the Autonomous Authority for Alternative Development as well. Thus, the ILD is a legislative source against their own bourgeois democracy. They propose to "jump over integral democracy with citizen participation..." their objective is to incorporate the masses into their plans.

They are preparing important new decrees, they assume that they are carrying out a "revolution", the propagandized modernization and liberalization of the Peruvian economy, and for this they need to restructure their State, although they are advancing to a lesser degree. They also need to make merits so that imperialism, mainly Yankee imperialism, will support them in their so-called "reinsertion". Among these decrees they are preparing one against labor stability, others on the agrarian question, administrative simplification, etc.

We see more ideas and positions of a fascist base; we are not saying that the government is fascist. Rather, we must think that the big bourgeoisie is aiming at a substitute rethinking of the old bourgeois democracy, at a new fascism; it would no longer have the characters of the old fascism, the essence would be the same but the forms would be different, they have to adjust to the new conditions of the class struggle. We reiterate, let us think about new fascism and let us be attentive to its rethinking.”

“The so-called ‘failure of socialism’ is part of the so-called ‘defeat of Marxism’ and ‘uselessness of the totalitarian dictatorship of the proletariat’. This monstrosity is also touted in the country, now concretely linked to the Fujimori government (‘which has been assuming responsibility for the past’). It is indispensable to thoroughly combat this rotten reactionary hawker. Nothing of what has happened denies Marxism, nor the necessity and transcendence of socialism nor the unstoppable march towards communism, the irreplaceable goal. The question is, we reiterate: the insufficient knowledge of the laws of socialism due to the short time of its development; the inevitable struggle between restoration and counter-restoration; and the sinister action of revisionism nursed by imperialism and in collusion with it. The question is, in synthesis, the continuation of the revolution under the dictatorship of the proletariat. In the face of the campaign of imperialism and revisionism against socialism, we must: 1) reaffirm ourselves unshakably in Marxism-Leninism-Maoism, Gonzalo Thought (‘Elections, no! People’s war, yes!’, serves this objective); 2) highlight and spread the great conquests of socialism and its grandiose construction: never, in any epoch of history, has any mode of production done so much, in such a short time and for such great, extensive and deep exploited masses, as socialism! Contemporary history and the peoples of the world are undisputable witnesses; 3) to tirelessly unmask all the monstrous exploitation and oppression of imperialism, mainly Yankee, and of revisionism, to show how they

sail in a sea of blood of the international proletariat and of the peoples of the world; 4) who has brought us here? Who is plunging the Peruvian people into the greatest crisis of its history, who are those responsible? It is the three mountains that exploit and oppress the people: Imperialism, bureaucrat-capitalism and semi-feudalism; mountains that through the organized reactionary violence that is the Peruvian state, a state sustained by its armed force as its backbone and by the bureaucracy, maintain the prevailing order of oppression and exploitation that still continues; order and state headed and directed by the big bourgeoisie, mainly comprador, with the support of revisionism and opportunism of all stripes and the protection of its imperialist master; 5) 'sacrifice today for a better tomorrow' is an old tale retold, it was told by Leguía, Velasco, Belaúnde and García Pérez, among others, denounce it by unmasking Fujimori's 'new' hoax; and 6) propagandize how the people's war is building a new society truly for the people and that the only perspective is to conquer power throughout the country. "Comment on article by Luis García Miró in editorial page of El Comercio "El capital y el trabajo"; 10/IV/91."

Construct the Conquest of Power in the Midst of the People's War!
(Second Plenum of the Central Committee)
 February 1991

In the document "The Party, the People's War and the Boycott", the document "Against Constitutional Illusions and for the State of New Democracy!" is transcribed. It is good to take from that document how the economic and political situation was at the end of the fascist government, on page 56 it says:

"In 10 years, what economic direction has the government followed? In general lines, in 1969 and 1970 they prepared conditions for their plans. Then they applied

the 1971-75 economic-social plan aiming at accumulating capital. This was canceled in its last year because the difficulties had already begun, the 1975-78 plan was approved aimed at a greater accumulation of capital. It was a plan that in its first two years sought the control of the crisis but without achieving it. In 1977, the Túpac Amaru Plan was approved, which applied the modifications proposed by the President in March of 1976, a plan to extend until 1980, on which date the crisis was supposed to be over. During this period the State fulfilled a main role, as the driving force in the economic process, and developed the State's monopoly. However, in the last few years, the need to reinvigorate the private economic activity was proposed, and in the imperialist order within which our country and the State operate, it prepares conditions for future development of the monopoly production of imperialism and the big bourgeoisie associated with it.

[...]

When the military government ended the same thing was said and it was proposed to restructure the economy; when the APRA took office it was similar but it said that in the face of this crisis there was room for a "nationalist, democratic, people's revolution"; today the same chant. Everything reveals the deep root of the collapse of bureaucrat-capitalism, the general crisis of Peruvian society, mainly of bureaucrat-capitalism. That is why they need to reimpulse bureaucrat-capitalism, that is why they talk about the economic base they have to rebuild.

[...]

Alarming depressed industry, accelerated decapitalization reveals a decayed industry because its system constrains, does not develop; furthermore, they are within the imperialist system and believe that Peru's problem is that it has a location within the world productive system.

The “agricultural system is prostrate”, proof of the subsistence of semi-feudalism, successive decades it is sinking and what happened to the so-called agrarian reform? What happened to the three agrarian laws of the ‘60s? Was it not said that this would renew agriculture and promote industry? The fact is that this reform was made under the criteria of Kennedy, of Yankee imperialism at that time and when they were seeking to suffocate the masses and expand markets, today other criteria guide them.

The mining industry suffers severe crisis. Root? It has to do with international prices, with the non-renewal of large mining companies because it continues to be a system based on oppression and exploitation to obtain greater surplus value, not to develop, to advance, not to reinvest, because bureaucrat-capitalism is more rentier and parasitic.

“Repressed or dammed up inflation of 1,200%.” This was said during the military regime and was the justification for the Ulloa’s disbursement. Today he proposes 1,200% inflation, that is 6 times more than the indexes pointed out by all, even Moreyra criticized him; background? To justify atrocious measures against the people.

[...]

Now, they have focused on structural reforms. In April, as a result of Decree 009 on land, we made the following comment:

“This, like the other recent measures taken with Boloña, are part of the reimpulsing of bureaucrat-capitalism. What Fujimori’s government has done so far is: 1) the July guidelines, 2) the August adjustment measures and Hurtado’s propaganda, complemented with re-adjustments in December, 3) Boloña’s measures, which should be included in the program to be presented by the Prime Minister. Recent measures, although they express a transaction between factions of the big bourgeoisie, as it should be, benefit mainly the comprador group and particularly the financial and big exporter group. The exporting manufacturing group itself

and industry in general, suffer the consequences, obviously hitting the national bourgeoisie and unloading itself with great virulence on the popular masses, particularly the attack against the class is direct. The March measures, a concentrated expression of the most obsequious submission to Yankee imperialism, apart from the rejection and resistance that they strengthen, encounter difficulties in the so-called reinsertion which is the light of their eyes, as well as in the signing of the agreement on drug trafficking, again postponed. The whole plan and program of the big bourgeoisie, mainly the comprador bourgeoisie, which they are promoting, is on the one hand extremely delayed, they should have applied it since Belaúnde; and, on the other hand, they have to develop it in the worst international and internal conditions of a prolonged and worsening general critical situation; all this, apart from the situation of misery of the masses which continues to accentuate the class struggle which is heading towards the revolutionary crisis and mainly the development of the People's War and the New Power. Thus, their new plans and measures have a difficult and hazardous perspective, and even begin by aggravating the recession and orphaned of a program to sustain them, at least not agreed upon until to-day, this in the bosom of the big bourgeoisie itself, since in the popular camp they can only sow winds and reap storms. Up to now the comprador bourgeoisie has not been able to put together a program and plans like those of Velasco's bureaucracy, nor does it have the political apparatus or support to apply them. It is in these circumstances that reaction and imperialism are pushing ahead with the Boloña measures, without even managing to clean up the financial situation, particularly that of the State, which was previously done by the military fascist government to apply its program. As for the agrarian question, take into account what was seen in the October meeting."

We believe that the economic situation of the country is condensed here, what we started in April is still valid, they are within that plan. So, what we have seen up to now is that their

stabilization plan is failing and a tougher year is coming, not even the reinsertion is going well and they have assumed huge payment commitments, this is the situation, up to now these are the results. Then come the measures, the big measures that must be understood within this, what is important here, it says: "What about the proposals made in July by Fujimori", then "the adjustment measures of August and the measures of Boloña", in other words, these are the measures that have been taken, these would be the fourth step taken, I am not saying that these are moments, that is another problem, I am not talking about moments here. What the government has done so far is: first, guidelines, because we have to think that this is its first message to the country, it should have said what to do, but we only have generalities, that is the point; then, in August, the big adjustment that we all know: and then the Boloña measures. The Prime Minister presented a program, but it was not even published, this program does not exist, he outlined guidelines and aimed at reaching a consensus, generating a dialogue, an agreement, and from there all that came out was the problem of the Council for Peace, and we know the result; that is the question, and what did the government get out of it? the legislative powers. So there was no such program, that is the important thing. Now that it says: "Recent measures, although they express a transaction between factions of the big bourgeoisie as it should be, benefit mainly the buyer and particularly the financial and exporting group", but then it adds: "the exporting manufacturing group itself and the big industry in general suffer the consequences", even the financial and big exporting group suffer the consequences, how are they at this moment? There are banks that are at risk of bankruptcy, that is the problem, and misery has serious problems, that is the fact, and manufacturing, industry? it is getting worse every day; that is, what he says here has worsened, it is the same law that is being complied with. Now, obviously, who is he hitting? The national bourgeoisie, but who is he hitting with great virulence? The popular masses,

“particularly, the attack against the class is direct”. Then it tells us “the March measures, concentrated expression of the most obsequious sub-mission to Yankee imperialism”, that is what interests us, if those measures are the concentrated expression of the most obsequious submission to Yankee imperialism, these we are seeing are even worse; He says that the measures generate rejection, they encounter rejection and strengthen resistance, today even more; apart from this “they encounter difficulties in the so-called reinsertion which is the light of their eyes” and those problems have not concluded, “as well as in the signing of the agreement on drug trafficking, again postponed”, today they have already signed it, but how is its application? The hustle and bustle in the U.S. continues and we have seen all the disputes over it, the discrepancies, the agreements, the subjugations, so these things also; “The whole plan and program of the big comprador bourgeoisie mainly that they are promoting [...]” That is the important thing, that plan and program, there is no sanctioned programme or plan, at least it has not been presented to the country, it has not been exposed to anyone: even if it did not exist, they must have their plans, guide-lines and agreements to which they must adhere, then, the whole plan and program of the big comprador bourgeoisie, mainly theirs is on the one hand extremely delayed, they should have applied it since Belaúnde (remember what we have read in the document), on the other hand they have to develop it in the worst international and internal conditions, what are those internal conditions? “Prolonged general critical action which is getting worse, that is to say, the social and economic process of Peru is getting worse, all this apart from the situation of misery of the masses which continues to worsen; the class struggle which is heading towards the revolutionary crisis, and mainly the development of the People’s War and the New Power”, of course; well, that is the main thing! in those conditions how are they going to be, compare this now with what we have read. Rey said: “It is going to begin” and it has already

begun, and today how are we? worse than before. Remember that at the end of the Morales government there was money in Peru, there were bonds in the bank, they managed to stabilize their economic and financial problems, their budget, we must not forget that. Now look at what he is going to say: "Thus, the new plans and measures have a difficult and hazardous perspective, and they even start aggravating the recession", of course, instead of cleaning it up, they aggravate it more "Orphans of a programme to support them", where is their programme, then? That is the problem; it says: "(at least not agreed until today)", although they have it, they have not agreed it, much less have they presented it; "this, in the bosom of the big bourgeoisie itself", they themselves do not agree, they have no plan; "Well, in the people's camp they can only sow winds and reap storms." Now what it is going to say is very important: "Up to now the comprador bourgeoisie has not been able to put together a programme and plans like those of the bureaucracy of Velasco, nor do they have political apparatus, nor support to apply it", one could say: but Velasco did not have a party, yes, but he had an army, armed force, did he not? And he had a Sinamos at least, today we have a Sinamos? And he had a whole revisionism and opportunism which served him as a cushion, do they have it today? they do not have it then, it is worse. "In these circumstances is that reaction and imperialism carry their re-impulse through the measures of Boloña and without even managing to clean up the financial situation", it is still the same; "Particularly emphasize that it was previously done by the military fascist government to implement its programme." The agrarian question? refer to what we have seen before. Well, I think this condenses very clearly what the situation is.

Then, from the second thing we have seen, there is the appreciation of the whole process. Hard year there it is, who they serve and they do not have a programme.

Let us study, in addition, the following comments to journalistic ex-tracts:

“In the ‘50s, ECLAC applied ‘import substitution’ and the result is the deep crisis in Latin America in the ‘80s from which they have not yet emerged. Today ECLAC brings us the new Yankee imperialist recipe: ‘productive transformation with equity’, and apart from the usual ‘arduous and difficult task’ and ‘more or less prolonged period of learning and adaptation’; today they sibyllineally tell us: the countries of Latin America ‘will perhaps emerge stronger’; in good language this means: the catastrophe will be worse for the Latin American people, and as always Yankee imperialism will be the big winner. That is what ECLAC’s new recipe is for, as it was yesterday!” (On the occasion of the article “Productive transformation with equity” by Gert Rosenthal, Secretary of ECLAC; *The Commercial*, 06.05.1991.)

“The so much propagandized privatization began. So far, keep in mind: a) the so-called ‘diffusion of property’, the proclaimed ‘people’s capitalism’ which they said would benefit the medium and small landlords, as it was before and had to be, but today, it benefits the big bourgeoisie, mainly the bankers. b) Privatization ‘begins’ late, the question has been pending since the last part of the fascist government. c) Pressure for privatization will grow, and the struggle to take over private State property will stir up contradictions within reaction. d) Imperialism is preparing to feast and will take the largest share.” (Following the sale of the first State enterprise, “Sogewise Leasing”; 11.06.1991.)

[...]

“This approach to labor stability, like others sustained by *Express* so ardently, superficially and reactionarily, is to return to the times of ‘savage capitalism’, of 19th Century capitalism, before the unions and the great struggles for the demands of the working class (we do not say, obviously, of the conquest of power by the proletariat, of its dictatorship and of socialism), and in Peru to the beginnings of bureaucrat-capitalism; that is the essence of the new liberalism, here and in the imperialist metropolises where they engender it and from where

they infest the world, in spite of all the verbiage, to the contrary, that they spread. Their dream is to return to the epoch of the most unbridled exploitation of capitalism, before the powerful development of the class struggle of the proletariat and the people, and the pressing threat of revolution, wrested by blood and fire, in heroic days, since nothing was given to them nor fell from heaven, the social laws sanctioning, simply, the conquest of liberties, rights and benefits in stormy struggles.” (On the editorial of *Express*: “Contemporary Muledrivers” on DS 032 that destroys labor stability; 26.10.1991.)

[...]

‘The masses are not in conditions to rebel because they have been defrauded’. The usual infamy, to unload on the masses; the masses express pessimism of the present system and optimism of the future, of what they can do with their own hands that vertebrate a great unity of struggle that has an axis, the People’s War. The shock has proven once again the impotence of the General Confederation of Workers of Peru (CGTP) and of the current organizational forms that bind to legality; the existing forms are those that the law allows to drain the struggles and bind the masses; inconducive and passive hunger strikes are armed, while the strikes are carried out with pacifist methods of serfs and are even reduced to the ridiculous spectacle of deputies; the forms and methods of the renegade scabs are those that the system allows. Therefore, the problem is to move the masses from below and develop new forms of struggle and organization, to strengthen the struggles of the peasantry, of the proletariat and the people, of youth, women and intellectuals and of the masses of the regions for their true interests: To link the workers’ struggle to the neighborhood struggle; to repel aggression; to wage combat strikes; to intensify the application of the four forms of struggle of the People’s War in direct support of the struggle for the daily demands of the masses, particularly sabotage and selective annihilation, for in this way we pave the way, in addition, to sweeping away the nefarious legalism. On the

other hand, we must combat the stabilization plan as part of the system which aims to restructure the Old State, annihilate the People's War and reimpulse bureaucrat-capitalism; to see tactics and strategy, how in each action the two problems move: the daily demand and the conquest of power. The objective conditions continue to develop and the subjective ones are going to be strengthened; let us see how the New State, the Party and the People's Guerrilla Army (PGA) and the masses develop, the latter ask for the leadership of the Party which expresses the maturing of the consciousness of the masses marching towards more developed organizational forms.

May the Strategic Stalemate Shake the Country More!
1991

In the second part — THE POLITICAL CRISIS DEEPENS AND THE CONTRADICTIONS MOUNT UP — one would have to center attention in the process of bureaucrat-capitalism. Bureaucrat-capitalism is a thesis of our Party. It is the specific modality, the form which capitalism assumes here, in the semi-feudal, semi-colonial backward countries such as ours. This process is related to the fact that the history of Peruvian society achieves an embryonic development of capitalism in the 18th Century, that while being subjected to British imperialism it underwent a surge in the middle of the last century. and that it suffered the consequences of the war with Chile.

From 1895 bureaucrat-capitalism underwent three stages or moments, a process which still continues: 1) From 1895 until 1945 with its axis in the decade of the 20s. This is the moment of DEVELOPMENT OF BUREAUCRAT-CAPITALISM. 2) From 1945 to 1980, with its axis in the decade from 1968 to 1978 (1968 saw the fascist corporatist State coup of Velasco). This is the moment of DEEPENING OF

BUREAUCRAT-CAPITALISM. The Party established that the fascist State coup had three aims: first, the deepening of bureaucrat-capitalism, second, the restructuring of Peruvian society, and third, to avert the Peruvian Revolution. It is obvious that they could not quite crown their objectives. They laid down the basis, but their task was not accomplished. The best and most overwhelming proof of this is the beginning in 1980 of the armed struggle. Therefore, the third moment begins in 1980, and it is the stage of the DESTRUCTION OF BUREAUCRAT-CAPITALISM. This is the stage that we are going through today.

Bureaucrat-capitalism is born ailing and in a critical condition and today it is in general crisis, approaching its doom. But if one notes the process of each moment of its development, in synthesis, there are in two stages. For example in its first moment there is a prologue expressed in a preparatory stage, and then during the decade of the 20s, another stage when foundations are laid for the development of bureaucrat-capitalism. Then comes a process of collapse, the intended development is not achieved, a crisis arises, and this crisis leads to further collapse. Historical facts show this to be the case.

In the second moment, the moment of the deepening of bureaucrat-capitalism, we also have a prologue or preparatory stage, then the laying down of foundations and finally the arrival of the crisis which led to a greater collapse than the one which occurred at the end of the previous moment. From 1980 onwards, we are in the third moment, the moment of the destruction of bureaucrat-capitalism. We have also experienced that prologue, a long and complicated preparation of conditions which leads us into the decade of the 90s. Today they are laying the foundations for the application of neoliberalism. They blabber about “making a revolution”, but just as in the two former historical moments of bureaucrat-capitalism, in this third moment the laying down of foundations will necessary lead them to another crisis which in turn will

generate an even greater collapse. In order to differentiate the second from the third historical moment, let us here point out that the former relied on the State as the main economic lever, while today they are aiming to enshrine non-State activity as the main lever. It is true that history shows that the laying down of foundations produces some results, but it also shows that it generates a deeper crisis. Therefore everything today demonstrates that in the third historical moment bureaucrat-capitalism is in general crisis, ideologically, politically and economically. The current critical situation has deepened since 1974 and they have been unable to overcome the crisis. Politically, the State has become more corrupt: the president rules by decree abusing the powers granted by Article 211, Paragraph 20 of their Constitution. Parliament does not comply with legislating, its primary function, and the judicial power, which is ridiculed even by Fujimori and has no budget, is every day more subjected to the executive power. Besides, the laws, among which we have the recent Penal Code, introduce fascist regulations. Daily more signs of fascism appear and there are more fascist standpoints espoused in the ideological plane. Like their imperialist masters, weighed down by their ideology which becomes more rotten everyday and lacking in perspective, they have no other choice but to raise banners from the 18th and early 19th Century — such as liberalism. If, on the other hand, these banners were already dirty rags by the time of the 1st World War, as has already been demonstrated, then socialism really does represent the future. Meanwhile, capitalism is a corpse, and like so many corpses, needs to be buried.

Therefore, they are sinking deeper and deeper in their general crisis, ideologically politically and economically, and every day they are more and more being demolished by the People's War.

This government is in a situation that grows more difficult by the day, the most critical situation which Peruvian society has ever undergone and they will be unable to handle it. Any

measures they may adopt cannot result in anything other than a transient respite and in general bankruptcy. The main instrument of their demolition is the People's War based on the class struggle of the masses.

It is important to note the three historical moments of bureaucrat-capitalism and their specific character, especially the character of the third. In this fashion we will understand why the three political tasks of Peruvian reaction and its masters, mainly US imperialism (to refurbish bureaucrat-capitalism, to restructure the State and to smash the People's War), cannot and will not be accomplished. Their accomplishment is an historical and political impossibility. Even the reactionaries themselves are saying, here the country and abroad, that Fujimori's government is not accomplishing a thing, that it instead goes from failure to failure. This is only a part of the truth since their difficulties are not only growing but are, of necessity, the embodiment of the bureaucratic road of the exploiters, the big bourgeoisie, the landlords and imperialism. This process is the embodiment of a law, a law which establishes that in its development bureaucrat-capitalism serves the development and maturing of the revolution and that the revolution, with the development of the People's War, accelerates and grows more powerful, therefore bringing even nearer the goal of the seizure of Power in the whole country.

On the Rectification Campaign with "Elections, No! People's War, Yes!"

August 1991

The class struggle in the country was characterized by the conjuncture of a year of a new reactionary government led by the cynical and crafty Fujimori, the most shamelessly pro-Yankee imperialist ruler to date. A government that was born highly discredited before the people and that in its first year in office acted within the framework of the application of the

three tasks that were presented as necessities to Peruvian reaction and imperialism: to give new impetus to bureaucrat-capitalism, to annihilate the People's War and to restructure the old State.

In the first task it has revealed false successes, since inflation, despite the shock of 08.08.1990 and the measures of December 1990 and January 1991, with the corresponding change of Ministers of Economy has not been avoided; the recession has been maintained for the third consecutive year and particularly this year it has become more accentuated; a "low", fictitious price of the dollar has been maintained in order to pretend low inflation. The tonic has been to adjust to all International Monetary Foundation (IMF) demands, applying a plan that is internationally considered one of the toughest in the world. The social cost, recognized by the very economists of North American imperialism, has been extremely serious and, if yesterday there were 12% Peruvians living in poverty, today there are more and most of them are in critical poverty. Their stabilization plan has failed, and they need a new one, their "reinsertion" has been reduced to being declared eligible by their Yankee imperialist masters; the debt was not even minimally condoned, but refinanced to increase payments. Thus, 1992 will be a difficult year; the situation of the masses will be worse, the demands of imperialism greater. This apart from the fact that '91 did not mean to stop paying or receiving the much-trumpeted fresh money; for, to the few dollars that come in must be added more from where there are none to pay the part of the debt that corresponds: and, moreover, in '93 they will assume the heavy payments contracted. On the whole, inflation has not been kept at bay, the recession continues and deepens, and the "reinsertion" has not been completed; therefore, the desired stabilization has not been achieved and the economic reactivation is postponed even further. As a consequence, in the task of re-launching bureaucrat-capitalism they have not achieved the objectives they set themselves, and the law of bureaucrat-

capitalism of maturing the conditions for the revolution is fulfilled; thus, in our case, the conditions for the Seizure of power in the whole country are maturing.

[...]

He speaks of “Destruction”. Who destroys the productive forces of a nation in formation like ours? Who forbids the peasantry to work the land that was theirs for generations, who condemns them to till the soil with instruments discarded by history hundreds of years ago? Who squeezes the proletariat to the point of sucking its blood for a miserable salary? Who imposes that out of every 10 workers only one can do it properly? Who generates unemployment, the rising cost of living, terrible working conditions? Who generates the crisis that grinds the people and sweeps away the small and medium property? Who squanders our wealth for derisory payments, plundering the sea, sinking the countryside, closing mines, plundering jungles, drowning cities in misery? Who burdens the nation with huge debts, subjugating us even more? Semi-feudalism, bureaucrat-capitalism and imperialism; they are the destroyers, and the Peruvian State that represents them and with blood and fire defends them with the blessing of the Church. The Party, the People’s War, the proletariat and the masses are the authentic builders of a true new world, which in the future will be a world without private property over the means of production, without class, without State. The kingdom of freedom! Today we, the Communist Party of Peru, the masses, the People’s War, are building the New Power where those from below, the people, exercise power and rule in defense of their class interests, and we struggle unbendingly for the People’s Republic of Peru.

That “the people demand life” is an artful half-truth. The people demand life without inequality; they do not want to simply survive or live however they can, and they prefer to die fighting than to die of hunger. “Respect for human rights”, another falsehood; he demands and conquers the rights of the people with his struggle, with his blood, because nothing

has ever been given to the proletariat, nothing has ever fallen from heaven; all his rights he conquers and defends in this way. Moreover, its rights are never equal to those of its bureaucrat capitalist exploiters, but opposed and different because they are two antagonistic classes. It invokes the so-called “integral development”, thus concealing a system of exploitation and oppression. And behind “civilized coexistence” it hides class conciliation. This is, in essence, the class position of Bishop Dammert: defense of imperialism, of bureaucrat-capitalism, of semi-feudalism, of what today is spread by Yankee imperialism and its lackey Fujimori. It is against the proletariat and the people; it wants pacification to preserve the old order, hence its fallacious slogan of “Peace and Justice”.

[...]

4. “My proposals.”

He puts forward his plan to impose his conditions: 1) *“Campaign of education for peace and against war”*, with the children, the youth, the family; using teachers, social organizations, the Armed and Police Forces, the mass media, associations of businessmen, workers, peasants, women, peasants. 2) *“To promote an economic policy that overcomes misery and hunger”*, is to support the first task of reaction: to reimpulse bureaucrat-capitalism. 3) Ways to bring the State closer to society, is to restructure the Old State, third task. 4) Open ways for national dialogue, listen and especially organize the simple people and promote the participation of people’s organizations, is part of the plan to mobilize the masses to march to the tail of reaction, to use them for the three tasks: is to traffic with hunger and make them sell out for a crust of bread, go against their class interests The most sinister use of the hunger of the people! 5) *“The Council deserves respect and preferential attention by all the powers of the State”*. And he calls on all political parties and organizations to support it because the State has no

money to attend to its functions as such; that the people themselves contribute with their efforts, with their miseries, with their hunger and with their blood to continue being exploited and so that the exploitation and oppression to which they are subjected is not so notorious, for that they promote subsistence plans Vile desires of the supporters of the Old State!

[...]

In Peru, both problems, the revolution and drug trafficking, take on greater importance because the People's War is becoming a serious danger to consolidate Yankee domination in America; and, due to the general crisis of bureaucrat-capitalism and the pauperization of Peruvian society, coca cultivation has proliferated. That is why the relations between Peru and the U.S. are closely linked to both problems, mainly to annihilate the people's war which, after all, is their main problem.

[.]

And on July 28th, the priest Jorge Aguilar proclaimed his praise for the pro-imperialist position of the arch-reactionary Fujimori government defending the so-called people's capitalism, the micro-enterprises that are but a complementary part of the neoliberal economies and that De Soto described as the solution to the general crisis of bureaucrat-capitalism:

"As Church we are witnesses of the economic originality that the people have not only in their creative capacity but their audacity to invest in projects [...] we see how small shops, wineries, small industries, community and communal works are multiplying, the Church supports them and asks the government to support these initiatives by easing the formalities so that people can work [...]"

And since we are the "Devil" who is against these initiatives, he reminds us to *"put down violence as an attitude of life and show us your faces to build the country"*. Our attitude of life is not to subsist, the people do not want to live for the sake of living, they want to live to transform the world, to manage its laws and with these to build a just and equal world for all humanity,

to build Communism; and that we show our faces is similar to what the military spreads, *“they do not show their faces”*, is that they seek to betray us and annihilate us; when we are the only ones who with our naked bodies and our souls filled with Marxist-Leninist-Maoist, Gonzalo Thought revolutionary conviction, show ourselves without hypocrisy and proclaim our ideology in words and deeds because we are not afraid to die the death of a thousand cuts, that is why we are capable of destroying the old and build a world of lasting peace. Who among Catholics acts like this?

On the Two Hills
1991

“There are several documents, see the Preparatory Session of the II Plenum: bureaucrat-capitalism develops in cycles with gradients, it has transitory recoveries but each new cycle starts from the lowest point of the previous one. In 30 years it is like this. See how it is developing: the third part of bureaucrat-capitalism, of contemporary Peruvian society began in 1980. General crisis and how its recovery would be until its destruction, the people’s war operates and this aggravates the process of destruction of the economic system. To the process of destruction of bureaucrat-capitalism is added the people’s war, that is why its economy cannot recover like that of neighboring countries. Our war is politically managed with sabotage and armed strikes, the people’s war limits investments, the security factor increases insurance, etc., etc., etc.

Bureaucrat-capitalism is declining, it has been decomposing since the 80’s and it is declining more and the people’s war is sinking it. The loans, money given by the imperialists are in harsher conditions for the oppressed nations, they can only expect greater investment when the interest of imperialism increases, when they say “what a bad example, we must

crush it, put in money”, but that leads to more generalized putrefaction, as it was in Vietnam and Korea.

It is necessary to develop the criteria of the two paths. To see how the peasant path develops, to see also how the new economy develops in order to contrast. Pedraglio speaks of beneficial conditions for the Huallaga area. We see a decline fueled by the war. See how the peasant road develops, see how in the collapse there are little flowers that break through, new economy, New State.”

Third Plenum of the Central Committee
1992

On the other hand, the bureaucratic path of the old state headed by the genocidal, the most obedient lackey of Yankee imperialism, the sell-out puppet Fujimori is traversing the greatest crisis in the history of the republic. The measures which he adopts do not achieve anything but illusory gains leading to general bankruptcy. Each time it confronts greater difficulty in applying its three counter-revolutionary tasks: reviving bureaucrat capitalism, restructuring the old state and annihilating the People’s War. Of these, restructuring is the most fundamental. Reality has shown that accomplishing these goals is a historical and political impossibility. The April 5th coup took a step towards absolute centralization, just recently they carried out their farcical and fraudulent “referendum” which they need to approve, by any means. This travesty of “constitution” one step further in the reactionarization of the state, one more action toward Fujimori’s presidential absolutism.

Declaration of the Communist Party of Peru
October 7, 1993

More and more it is confirmed that revolution is the principal tendency in the world, but this is concretized through twists and turns. The end of the so-called “cold war” with the drowning of Russian social-imperialism has not signified the “beginning of a new era of peace and stability” as imperialism, principally Yankee imperialism, proclaims, repeating what the Chinese revisionists have been bringing up for years, and which is servilely repeated in our country by the reaction and the revisionists of the ROL. Rather it constantly proves that there is neither economic nor political stability anywhere, and that it is in the midst of wars of all types and a growing militarization that we attend the end of the 20th century.

There isn’t even peace in Europe itself, where Yugoslavia continues to disintegrate with more than 200,000 dead in less than three years of war, while in Chechnya Russian imperialism continues to unfold a barbaric genocide; and what can be said about Rwanda, a backward country where over 500,000 died in only three months? And what happened to the “Peace” signed between Israel and the PLO with the endorsement of Yankee imperialism? To say nothing of the problems which are breaking out in Mexico, on the flank of the “international gendarme” itself, or the war between Peru and Ecuador, etc.

Essentially it is as Chairman Mao and the CPC said in the 1960s: Once more there is a great disorder under heaven, and on another side, a New Wave of the World Revolution has begun to unfold, and the Communist Parties must militarize and fulfill their role, putting Maoism in command and applying People’s War to the conditions of their own countries.

In reference to the situation of our country: hunger, poverty, unemployment, repression, genocide, the sale of national sovereignty, etc.: these are only some of the calamities which are deepening to the highest degree because of the genocidal and country selling dictatorship, in reality headed by Hemoza Ríos, the apprentice of Pinochet, of which the puppet Fujimori only is a cheap and vulgar figurehead.

The problem is that on the one hand a revolutionary situation in development is being expressed, strengthened by the much better revolutionary conditions than in 1980 when the People's War was launched; and on the other hand, it shows once more that what Chairman Gonzalo and the Party established in the General Political Line is clearly being fulfilled, particularly with respect to the general crisis of Bureaucrat-capitalism and its inexorable process of decomposition. A very important question, even more so now that we have entered the second half of the decade in which, as in the previous ones, the critical state is necessarily aggravated. This is an objective situation which not only smashes to pieces the mind products of the genocidal gang about the "new Asian tiger" or the "Peruvian miracle", but also the shameless partisans of the revisionist and capitulationist ROL which cackle about how "bureaucrat-capitalism is becoming viable". As always, they are confusing the appearance with the essence, thus seeking to fool our people by exalting what is no more than passing blossoms within the process of the inevitable drowning of bureaucrat-capitalism.

Another aspect of the current situation is the realization of the forthcoming elections, which newly turn crucial for the reactionaries because they find themselves riddled with contradictions, particularly in the situation in which they carry out their three tasks, which have become bogged down. Thus, in the economic sphere the greatest general crisis in the history of the republic is unfolding and will continue to unfold, despite fleeting and limited recoveries, which don't even imply the overcoming of the recession nor inflation, to say nothing of unemployment, which as they themselves say "has reached historic levels." We can see how industry continues to decrease and the cost of living continues to rise, despite what the crafty conjurers of numbers say. Meanwhile agriculture continues its extreme prostration, made even worse by the millionaire shady deals in food imports done by those around the ruling clique. Furthermore, we all know that the

foreign debt has grown under this government from \$19 billion to over \$25 billion. The ruling clique talks a lot about how “the economy is growing”, but this is false the way almost everything they say is false because this government has made cynicism and lies the norm in its actions. Growth is not the demagogic and electorally motivated misconstruction of schools for students and teachers with empty stomachs, to say nothing of the extremely high indicators of truancy reached under this government; growth is not repairing roads nor opening a few trails with borrowed dollars for which high interest will have to be paid to imperialism; growth is not depredating the Peruvian sea to benefit the entourage of a voracious clique; nor is growth the cheap selling off of state enterprises in order to practically give them away to imperialist capital, firing thousands of workers with the further aggravation of not settling accounts with anyone about the money from that sale.

Regarding the restructuring of the old state, towards the end of 1990 Chairman Gonzalo and the Central Committee of the Party said that the government in office was unfolding a process of absolute centralization and presidential absolutism obliged by the People’s War and in accordance with their counter-subversive war. Today everyone is talking about this like a broken record, “forgetting” what the Party said in 1990. On April 5, 1992 a coup d’etat took place as part of this reactionary process and specifically as a response to the Strategic Equilibrium reached by the People’s War, putting in action a sinister plan launched by imperialism, principally Yankee imperialism and its followers. This coup was commanded by a military clique with Hermoza at its head and as always carried out by the genocidal and country selling armed forces. And once more we have seen how they trample on their own constitution and all legal order to better serve their counter-revolutionary war, adopting positions which are more and more clearly fascist. Thus we have witnessed for the umpteenth time at a shameless electoral fraud manipulated by the

dictatorship to approve one of the most reactionary and retrograde constitutions in the history of the Peruvian state, in such a way that although the previous one was questioned by Tyrians and Trojans alike, the current one is even worse. Now in the pre-election contention, we see the announcements by the representatives of the diverse groups of the factions of the big bourgeoisie who say that if they are elected they will modify it anyway.

And what have they done with their so-called “judicial power” and their judicial order? Desperate and terrified in the face of the advance of the People’s War, not only have they made a clean slate of their own so-called “universal” judicial principles, but they have reached the point of denying the right to defense and have annulled by decree the non-retroactive character of their laws. They have approved the sentencing of minors, condemned freedom of opinion and thought by punishing apology for “terrorism” etc., to say nothing of their Draconian military tribunals where the genocidals are not content to be judges and parties, but also act as magistrates. These dark uniformed men know as much about law as a butcher would know about sculpture, where the norm is a life sentence to whomever falls into their hands. The violation of their judicial order is so serious that even the UN, a procuress for imperialism, principally Yankee imperialism, has had to recommend they moderate their barbaric atrocities a bit.

Thus, merely by looking at these questions in the problem of restructuring we can say without fear of mistake that this other reactionary task has become bogged down.

Regarding the reactionary’s third task of annihilating the People’s War, they have crowed victory too soon with that fatuous triumphalism which characterizes them, even giving a date for its demise. But in this matter as in many others, they have mistaken from beginning to end, because the People’s War continues its unstoppable march after having resisted a sinister offensive carried out throughout the country.

An offensive unleashed since the April 5th coup, conceived and planned by Yankee imperialism itself within their so-called “Low Intensity Warfare” strategy, as a response to the Strategic Equilibrium to be played as one of their final cards before intervening more directly, and carried out by the genocidal and country selling armed forces. It is in this form that they order the mobilization of thousands of troops which had been deployed on the frontier, putting the national sovereignty at grave risk, in order to launch them on each campaign of “encirclement and annihilation” against the Support Bases and the Guerrilla Zones, utilizing not only 120mm mortars and heavily armed helicopters but also light artillery used in conventional warfare, such as cannons with a 12Km range and bombs dropped from combat airplanes. At the same time in the cities they lashed out with a fierce repressive manhunt, rounding up hundreds of the sons and daughters of the people which they jailed, after torturing and harassing them. Once more they vomited their genocidal guts, beginning by gorging themselves on May 9, 1992 with the Prisoners of War, carrying out cowardly and merciless massacre. This time the mass graves and the disappearances, like the “la Cantuta” case, were carried out in their own capital, which clearly demonstrated that this dictatorship is more genocidal than that of Belaúnde and García Pérez. Furthermore, they have accompanied this genocide with crafty “psychological warfare” hoaxes, promoting capitulation old tricks of mainly Yankee imperialism, launching grotesque farces which have blown up in their faces as was already demonstrated in December 1993 with the earth-shaking and powerful celebration of the Chairman Mao Tse-tung centennial, of which we will only say as proof that in Lima alone 16 car bombs were detonated that month. All of this is aside from the well-known actions for population control through the formation of “mesnadas”, increased use of informers, and supposed “intelligence” and “civic action” activities which were already being launched and which they intensified.

Thus, against all this sinister offensive and against all the crowing and dark forecasts, the People's War and the Strategic Equilibrium continue their course. If this were not the case one should ask why no important occasion passes in which Pinochet's apprentice or the puppet Fujimori or some thread of "senderologists", reactionaries, revisionists, opportunists, hacks or even informer priests or promoters of genocide like Cipriani, Durand, or Vargas Alzamora among others, don't have to talk about the so-called "terrorism" or about "pacification." But if they talk so much about how "they have pacified the country", why do they maintain the state of emergency in more than 50% of the national territory? Why do they keep sending thousands of their armed forces to the so-called "counter-subversive bases"? Why have they enrolled and continue to enroll and arm under threat of death thousands of peasants in the so-called peasant "rondas"? And why do they continue to fill the prisons with hundreds of the sons and daughters of the people under suspicion of being a "terrorist"?

It is because the People's War persists and will continue to persist, and although it has had temporary and partial setbacks it will achieve its glorious objectives demolishing the Yankee strategy of the so-called "Low Intensity Warfare" and whatever other strategy it will face, because it bases itself on the greatest ideology the world has seen, Marxism-Leninism-Maoism, Gonzalo Thought. It will succeed because there is a Party which leads it and animates it with a just and correct political line, because the masses of our people support it, watering it with their blood and sweat, because it is no more than the continuation of their struggle with arms in hand.

For all these reasons we affirm that the third task of the reactionaries, like the other two, has also become bogged down.

In synthesis we can see that bureaucrat-capitalism has no way out, it will continue on its inexorable sinking and will be totally demolished in the midst of the genocide with which it

defends itself like a mortally wounded beast. But for that very reason, these upcoming elections are turning crucial for the reaction, and particularly for the clique taking its turn who are desperate to remain in power, having made approving the “reelection” by any means necessary, now using a shameless fraud and even using the conflict with Ecuador to achieve their bastard objectives. And with respect to the so-called “Union Por el Peru” it doesn’t lower the framework of the interests of the big comprador bourgeoisie either, since the little individual [referring to former UN General Secretary Javier Perez de Cuellar - trans.] which leads it is yet another known quisling of mainly Yankee imperialism. One only has to recall his ominous role in the UN against the oppressed nations, praising the monstrous imperialist genocide against Iraq and the Palestinian people, for example.

*Against the Country Selling and Genocidal Dictatorship, Persist
in the People’s War*
March 1995

In spite of the demagoguery, lies, fraud and hoaxes, what is real and objective is that bureaucrat-capitalism has no way out. It is going from bump to bump. In the economy they acknowledge that “officially, there are problems again”. According to their own figures on growth in the first trimester of 1996, inflation is back on the rise and unemployment is breaking all records, which confirms what Chairman Gonzalo and the Party said, that in the second half of each decade their economic crises sharpen and they sink even more. [1]

1. Use as reference the Interview with Chairman Gonzalo, pg. 61: “A way out? We believe that they have no way out. Our understanding of the process of contemporary Peruvian society is that starting in 1980 bureaucrat capitalism has entered into its destruction, and as a result the whole system is falling apart, and they have no way out. And if we look at it, there’s a serious crisis, but also the

two decades have come together back to back, the decade of the '80s and the decade of the '90s, both of them critical. They have no way out at all."

Political Report
May 1996

"Bureaucrat-capitalism within its law of evolving the old state has only achieved transitory and partial improvements for the exclusive benefit of a handful of native and foreign exploiters; and the general crisis that eats away at them was only shoveled and its critical essence is untouched. It is impossible to overcome: the handful of bloodsuckers have had to get on their knees before imperialism, mainly Yankee, in order to benefit themselves, and sink all the Peruvian people more in misery. The government of Fujimori and Hermoza Rios is the most unbridled pro-imperialist until today, the most genocidal, the most sold-out; it puts on some "made-up" for the inflation to contain it to present successes. Regarding the "recession", the reactivation has been minimal, unemployment is growing every day, wages and salaries are at rock bottom, taxes and public rates are sky high, poverty has increased; in view of this, the government distributes crumbs and unwraps its demagogic civic action.

Poverty has not been reduced, keep in mind that we are in the second half of the decade and the worsening of the crisis of bureaucrat-capitalism is foreseeable; there are several elements of the bourgeoisie that are saying: "this year and next year will be difficult", "we have the problem of the repercussion of the Asian crisis", "the payment of the foreign debt", "the fall of metal prices", "the El Niño phenomenon"; the people are being told: "sacrifice for a better tomorrow" but seven years have already passed and the better tomorrow never arrived; nor will it ever arrive under this system, under this landlord-bureaucrat state. This is how this government

develops its massive sterilization plan, implying a major genocide, promoted by Yankee imperialism, through the Inter-American Development Agency (ALD). All the demagogic and electioneering traffic that Fujimori's puppet has been doing with the problems of the masses must be condemned. With the "El Niño phenomenon", he wanted to show off in the north with some measures, but the problems have exploded on all sides. It is the responsibility of this government not to have taken all the measures, even though it knew that the situation would be serious.

On the state restructuring they have not been able to advance as they wanted since April 5, 1990, under the protection of Yankee imperialism with a long term plan, they began to develop a fascist dictatorship within the process of absolute centralization, to better apply the "low intensity warfare"; fascist dictatorship with the mask of "democracy"; it is fascist because of the underhand denial of the parliament: on the one hand it discredits and undermines it, and on the other hand, it uses it as a sewer to evacuate the laws it needs; although the most important laws are decreed by the executive; it is fascist by the denial of the entire demo-liberal legal order, trampling on its constitution and all laws when it feels like it; thus some members of the same reaction or even the opposite faction have said "we live a permanent coup d'état", "there is no rule of law", etc.

A fascist reorganization of the judiciary is being carried out by an obscure marine who was Velasco's head of security, it is no coincidence that other henchmen of Velasco's fascist regime are in the shadow of the current government; the manipulated and fraudulent elections are instruments to perpetuate themselves in the government; and the so-called "opposition" is the chorus that helps to "legitimize" this "direct democracy"; We see corporativism organized as militarized corporativism linked to "low intensity warfare", mounted with blood and fire, under the cover of bayonets and genocide, pressuring and throwing the masses through the so-called

“self-defense committees”, peasant and urban patrols, corporativism promoted by the Ministry of the Presidency through COFOPRI, FONCODES, INADE, development committees, etc. As for its ideological basis, crude pragmatism and bastard eclecticism, systematically applying the “If you tell a lie big enough and keep repeating it, people will eventually come to believe it” (Hitler); fascism that is driven mainly by the fascist, genocidal and country-selling armed forces; these armed forces that constitute the backbone of the old state, are acting today as a militarized political party, complemented by the SIN, the *mesnadas*, *rondas campesinas*; armed forces that are managed by a clique headed by Hermoza Ríos and Montesinos, a vulgar agent of the CIA (Central Intelligence Agency of the U.S.), expelled from the reactionary army for treason. It is the fascist armed forces who are carrying out the campaign for the re-election of their puppet [Fujimori].

Unite the People Against the Fascist, Genocidal and Country-Selling Dictatorship, Develop the People's War Further
February 1998

Introduction to Part III

With this document, *WHAT IS BUROCRATIC CAPITALISM?*, published by the Revolutionary Student Front (FER) in 1973, we begin the publication of materials of the Communist Party of Peru (CPP) and its generated organizations on bureaucrat-capitalism, as well as documents and leaflets of our own on the subject. This 1973 document of the FER is a convincing example of how Gonzalo Thought has been forged throughout years of intense, tenacious and incessant struggle to uphold, defend and apply Marxism-Leninism-Maoism, to retake the path of Mariátegui and develop it, to reconstitute the Party and, mainly to initiate, maintain and develop the people's war in Peru serving the world revolution and that Marxism-Leninism-Maoism, mainly Maoism, be in theory and practice its only commander and guide.

Chairman Gonzalo says in this regard: "...contemporary Peru is a semi-feudal and semi-colonial society in which a bureaucrat-capitalism develops"; although Mariátegui defined it in point 3 of the Program of the Constitution of the Party, it is in the light of Marxism-Leninism-Maoism, mainly Maoism, that Chairman Gonzalo has shown how the semi-feudal and semi-colonial character is maintained and develops new modalities, and particularly how bureaucrat-capitalism has developed on this basis in the whole process of contemporary society, a transcendental problem, to understand the character of society and of the Peruvian revolution.

Peru People's Movement (Reorganizing Committee)

Part III:

What is Bureaucrat-Capitalism?

Revolutionary Student Front

- From the book “ The Socialist Transformation of the National Economy in China”. Süe Mu-chiao, Su Sing and Liu Tsi-li.
- From the book “ More on the Differences Between Comrade Togliatti and Us”. Communist Party of China.
- From the compilation “ Lenin on Imperialism, the Eve of the Proletarian Social Revolution”. V.I. Lenin, Beijing, 1960.

Introduction

In the fifth year of the fascist military dictatorship, the need for a correct analysis of the situation of the country is even more evident. In particular, the economic analysis provides us with an x-ray of the current process of corporatist counter-revolution in our country. With the economic plan and the political plan stalled, reaction must strive to the maximum for the “industrialization” of the country *manu militari*. And this expresses that the logical consequence of the development of bureaucrat-capitalism is the appearance of the fascist phenomenon.

That is why the urgency of having an accurate understanding of what bureaucrat-capitalism is falls by its own weight. Many get bogged down in vacuous discussions on whether, for example, this or that measure of the Government is bad or not, whether it has “positive aspects”, whether there are “buried aspects of national reaffirmation”, etc. The much-

propagandized chatter of the “nationalizations” is quickly deflated by understanding what this form of capitalism promoted by imperialism in the backward countries is.

In this publication we include a series of excerpts from a Chinese book. The study of bureaucrat-capitalism in China is of cardinal importance for being one of the most valuable experiences in the world. On the other hand, we put in the hands of the students an outline for the study of bureaucrat-capitalism and it is our desire to contribute to the knowledge of this important weapon for the scientific understanding of our reality. Now that the revolutionary struggle in the world is moving more and more to our America, it is necessary to understand, armed with the science of Marxism-Leninism, Mao Tse-tung Thought, the process of development of bureaucrat-capitalism that is being promoted by the political power of the big bureaucrat-capitalists, represented by the reactionary armies.

With regards to the class character of the present regime there are many positions. One of them is that of “Revolutionary Vanguard”, which maintains that the class in power is the national bourgeoisie. This is a veiled affirmation that this is a revolutionary process, because it assumes that the national bourgeoisie has displaced imperialism, the big bourgeoisie and the landlords, which in Lenin’s thought is known as revolution. Furthermore, this is not understanding that the national bourgeoisie only adopts an anti-imperialist attitude in the face of the armed aggression of imperialism, a thesis supported by Mariátegui in *Anti-imperialist Viewpoint* and by Mao Tse-tung, years later in his famous essay *On Contradiction*. And it is not the first time that this aberration has been committed in our homeland. On their side, the “Red Fatherland” says that the class in power is a supposed “industrial-financial bourgeoisie”. This is a nonsensical “thesis”, in the first place, according to Lenin, in *Imperialism, the Highest Stage of Capitalism*, finance capital is the fusion of banking capital with industrial capital; in the second place, our “industrialists” are nothing

but assemblers and the “financiers”, usurers. The big bourgeoisie has more the sense of income than that of production, as Mariátigui has stated in his unsurpassed *Seven Essays*. The discussion of these questions is of cardinal importance, since the conclusions will determine the place occupied by these “leftist” organizations in our society, particularly for us, at the university level. Thus, those of the “Revolutionary Vanguard” are definitely located in the bureaucratic camp, that is, they are agents of fascism, and the “Red Fatherland” are dangerously heading down the same path.

We have in sum, the invaluable analysis of Comrade Mao Tse-tung on capitalism that drives imperialism in the backward countries. This is a most important development of the Marxist theory of society, a brilliant contribution to historical materialism, that is, to Marxist sociology. The theory developed by Mao Tse-tung on bureaucrat capital has been definitively integrated into Marxist economics.

Excerpt from *The Socialist Transformation of the National Economy in China*

Foreign Languages Press, Beijing, 1964

By Sue Mu-chiao, Su Sing and Liu Tsi-li

On October 1, 1949 the People's Republic of China embracing one quarter of the world's total population was established in the East. After Russia's great October Socialist Revolution this event constituted another important turning point in the history of the world. It immensely strengthened the forces of the socialist camp and weakened those of imperialism.

The founding of the People's Republic marked the virtual end of the bourgeois-democratic revolution and the beginning of the proletarian socialist revolution in China. The era of semi-colonialism and semi-feudalism was ended for ever. The Chinese working people have now entered the great new era of socialist revolution and construction.

For the past one hundred years China had been in semi-colonial and semi-feudal bondage. For a long period of time the imperialists had controlled the main arteries of China's economic life, transforming her into a market where they scrambled for raw materials, dumped their commodities, and to which they exported their capital.

Before the War of Resistance to Japanese Aggression (1937-45) the imperialists monopolized 70 per cent of China's coal production, over 95 per cent of her iron, 73 per cent of her shipping tonnage (83.8 per cent of this being ocean-going), and by far the greater part, of her public utilities. They also exercised control over her banking, insurance-and foreign trade. Taking advantage of their various special privileges, they extorted enormous profits from China. Before World War II China was a battle-ground where the imperialist nations - Britain, Japan, the United States, Germany and

France - haggled over spheres of influence and waged sharp struggles against each other. During the war, Japan carried out unbridled armed aggression against China, crowded out Britain, the U.S. and the others and seized by force most of China's markets and resources. With the victory over Japan the U.S. imperialists stepped into the shoes of the Japanese, thus becoming the major aggressive force in China.

After the invasion of foreign capital and the development of Chinese capitalism the feudal economic structure was impaired to some degree. But just as Mao Tse-tung wrote in 1939: "The exploitation of the peasantry by the landlord class - the basis of feudal exploitation - not only remains intact but is linked with the exploitation of comprador and usurer capital, and holds an obviously dominant position in China's social-economic life.[1] In the countryside the landlords and rich peasants, who numbered less than 10 per cent of the population, owned over 70 per cent of all arable land, but middle peasants, poor peasants and farm labourers, who numbered 90 per cent of the population, owned less than 30 per cent of the total amount of such land. The peasants had to give about 50 per cent of what they produced to the landlords for the land they rented. For all their toil through the year they had insufficient food and clothing for themselves.

The capitalist economy of old China consisted of two different sections. One was national capitalism consisting mainly of medium and small enterprises. These were connected in a thousand and one ways with imperialism and feudalism but, as they were oppressed and preyed upon by imperialism and at the same time fettered by feudalism, constant contradictions existed between them and both imperialism and feudalism. The national bourgeoisie, who controlled this section of the national economy, was comparatively weak, both politically and economically. The other section was feudal, comprador, state-monopoly capitalism, i.e. bureaucrat capitalism. It was represented by the "Four Big Families" - Chiang Kai-shek, T. V. Soong, H. H. Kung and the Chen Ko-

fu and Chen Li-fu brothers. It was built up mainly during the twenty-odd years' rule of the Kuomintang reactionaries, who used their counter-revolutionary political power to ruthlessly exploit and plunder the people of the whole country. It was entirely dependent on foreign imperialism and linked with feudalism within the country. After the victory over Japan, when the reactionary Kuomintang government had taken over the properties in China of the imperialist countries - Japan, Germany and Italy - bureaucrat capitalism reached the height of its development, controlling the main arteries of the country's economy. This state-monopoly capitalism not only oppressed and exploited the workers and peasants but also strangled the growth of national industry and encroached upon the interests of the national bourgeoisie. Like imperialism and feudalism it was a great obstacle to the development of the productive forces of society. Mao Tse-tung pointed out:

“Aside from abolishing the special privileges of the imperialists in China the object of the new-democratic revolution is to end exploitation and oppression by the landlord class and bureaucrat-capitalist class (the big bourgeoisie) in the country, change the feudal and comprador relations of production, and release all productive forces from fetters.”

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The large-scale building and development of China's state sector of the economy began with the confiscation of all bureaucrat-capitalist enterprises around the time of the founding of the People's Republic.

Bureaucrat-capitalist enterprises were chiefly state-monopolized capitalist enterprises of a comprador and feudal character which were controlled by the bureaucrat-bourgeois

clique headed by Chiang Kai-shek. In this connection, Mao Tse-tung said:

During the twenty years when they were in power, the “Four Big Families” of Chiang Kai-shek, T. V. Soong, H. H. Kung and the Chen Ko-fu and Chen Li-fu brothers have amassed in their hands a huge sum of between 10,000 and 20,000 million U.S. dollars by which they established monopoly control over the vital economic arteries of the whole nation. Combined with the political power of the state this monopoly capital became state-monopoly capitalism. Closely connected with foreign imperialism, the landlord class and rich peasants of the old type at home, it became comprador-feudal state-monopoly capitalism.

This type of capitalism did not grow mainly through increased production, but through open plunder with the aid of the state machine, through exploiting the labouring people and crowding out and swallowing up the medium-sized and small capitalist enterprises by means of speculation, currency inflation and various measures of economic control. Like imperialism and feudalism, it seriously impeded the growth of the productive forces. Bureaucrat capitalism came into existence prior to the War of Resistance to Japanese Aggression. It reached the peak of its development after victory in the war when the reactionary Kuomintang government took over the Japanese, German and Italian imperialists, enterprises in China. In 1948, bureaucrat capital accounted for about two-thirds of the total industrial capital in the Kuomintang-controlled areas. On the eve of liberation the National Resources Commission of the Kuomintang government controlled 90 per cent of the country's iron and steel output, 33 per cent of its coal, 67 per cent of its electric power, 45 per cent of its cement and all its petroleum and non-ferrous metals. Bureaucrat capital also controlled the nation's light industry. In 1947, the China Textile Industries, Incorporated alone possessed 37.6 per cent of the nation's total number of spindles and 60 per cent of its mechanized looms. In addition, bureaucrat

capital had under its control the big banks, all the railways, highways and air lines, 44 per cent of shipping tonnage and a dozen or so monopoly trading corporations.

On the eve of the Russian October Revolution, Lenin said: "State-monopolistic capitalism is a complete material preparation for Socialism, the *threshold* of Socialism..." This was also true of state-monopoly capitalism in old China. Bureaucrat capital was not only highly concentrated but directly connected with the reactionary state machine. Under such circumstances, the bureaucrat-capitalist enterprises could be changed over in a short time from state-monopoly capitalism of a comprador and feudal character to the socialist state sector as soon as the dictatorship of the big landlord class and the big bourgeoisie was destroyed and replaced by the dictatorship of the proletariat.

The confiscation of these bureaucrat-capitalist enterprises was carried out on a nationwide scale following the victory of the people's revolution. In a short space of time, all the factories, mines, railways, shipping, postal services, banks, trading establishments and other enterprises formerly owned by the Kuomintang reactionary government and the bureaucrat bourgeoisie passed into the hands of the state led by the working class, which then controlled the vital economic arteries of the nation.

Statistics show that by 1949 the state had confiscated 2,858 bureaucrat-capitalist industrial enterprises which employed more than 750,000 industrial workers. This confiscation led to the unprecedented growth of the socialist state sector. In 1949, socialist state industrial enterprises accounted for 41.3 per cent of the gross output value of China's large industries. The state sector also held 58 per cent of the country's electric power, 68 per cent of its coal output, 92 per cent of its pig iron, 97 per cent of its steel, 68 per cent of its cement and 53 per cent of its cotton yarn. Besides, it controlled all the railways in the country, most of the modern communications

and transport, the far greater part of banking business and domestic and foreign trade.

Confiscation of bureaucrat-capitalist enterprises meant not only legally transforming their assets into those of the people's democratic state, but at the same time putting them under the direct management of the state so that they could produce in accordance with the needs of society. These bureaucrat-capitalist enterprises had their own managerial staff and management systems which were of a dual nature. These systems had originated from 'bureaucrat-capitalist production relations and served as an instrument for enslaving and oppressing the workers. Therefore, these aspects had to be eliminated. They also had certain other aspects which had to do with large-scale socialized production, such as the knowledge of production processes, technical management and accounting. These could be partly carried over, preserved, and adapted to the needs of the developing socialist sector. Some other parts, however, were unreasonable and had an adverse effect on the workers' production enthusiasm and on the development of the enterprises. They needed to be reformed. But the reform of these systems was different from changing the ownership of the means of production. First of all, they had to be studied and thoroughly understood. Then, in accordance with the actual conditions and existing possibilities, the unreasonable systems were replaced with reasonable ones and the lower technical organizations were changed to more advanced ones. To carry out the reforms blindly in a disorderly way and without any plan would have dislocated production, circulation and the whole economy. That is why, in taking over the bureaucrat-capitalist enterprises, the measures adopted were essentially different from those in taking over the Kuomintang state organs. This was for the purpose of protecting production. These enterprises were preserved instead of destroyed. In other words, these old enterprises with their technical organization and production

systems were taken over intact, placed under supervision, and then reformed step by step.

Pg. 26-30

The second was leading and mobilizing the workers to completely abolish the surviving portions of the systems of management inherited from bureaucrat capitalism that had been used to oppress and enslave them. Some of these were feudal survivals in the textile industry whereby the workers were searched when leaving the mills, that of gang-boss in the collieries, and that of the contractor-boss in the transport enterprises. In addition, steps were taken to rid the enterprises of the hidden counter-revolutionaries and remnants of the feudal forces.

Pg. 31

1. The Economic Conditions in the Countryside After Land Reform and the Policy of the Chinese Communist Party Concerning Agricultural Co-operation

The Two Roads for Economic Development in the Countryside After Land Reform. Land reform began in various liberated areas in China during the period of the democratic revolution” After the founding of the People’s Republic the land reform movement was launched on a nationwide scale. The aim was to confiscate the land belonging to the landlord class and distribute it to the landless and land-poor peasants, thus changing feudal landownership into ownership of land by the peasants. This dynamic change in the history of China was basically completed in 1952.

Land reform gave 700 million mou (or more than 46 million hectares) of free land to some 300 million peasants together with some other means of production, thus fundamentally changing the economic relations in the countryside.

The system of feudal economy which had prevailed in China for several thousands of years was abolished. The rich peasants were weakened economically as part of their surplus land was requisitioned; and the peasants working on their own became the owners of land and some other means of production. The peasants no longer had to pay the landlords the exorbitant annual land rent totalling some 70,000 million catties (35 million tons) of grain and began to use this part of the fruits of their labour for the expansion of production and the improvement of their living conditions. This gave rise to great enthusiasm for production such as had never been witnessed before. At that time this enthusiasm for individual production was good for the recovery and development of agriculture and the entire national economy.

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3. The Socialist Transformation of Individual Handicrafts and Small Trades

The Characteristics of Handicrafts Run on an Individual Basis. In the early transition period there were great numbers of handicraftsmen. According to the 1954 statistics, about 20 million people were engaged in handicrafts on an individual basis, and the value of their output was about 9,300 million yuan. Of the total number, about 8 million were independent handicraftsmen whose production was valued at about 6,800 million yuan, and 12 million were peasants who took up the production of handicrafts commercially on a part-time basis. The value of the peasants' output was about 2,500 million yuan. Also, there were two other groups engaged in handicrafts. The first worked in capitalist manufactories, and the second consisted of those peasants who produced handicrafts as side-occupations for their own use. Neither of them fall into the category of handicrafts on an individual basis.

The individual handicraft economy, like individual farming, was based on the labourers' private ownership of the means of production. However, in comparison with the latter, it had certain characteristics of its own.

Firstly, individual farming though basically small commodity production, possessed some survivals of natural economy, while handicrafts were a pure commodity economy the production of which was entirely for the market. Furthermore, the handicraftsmen had to purchase all their means of production and consumer goods. In comparison with the peasants working on their own, they maintained closer connections with the market and with the commercial and credit establishments. In old China, a great number of handicraftsmen were under the control of commercial capital which supplied them with raw materials and marketed their products. Even in the early days of the transition period, handicraftsmen still suffered from exploitation by private commerce and factory owners. With the development of the socialist state sector and the gradual realization of the socialist transformation of capitalist enterprises, the handicraftsmen gradually freed themselves from their subordination to commercial capital. They established a close connection with the socialist sector; the socialist commercial enterprises supplied them with raw materials and marketed their products.

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When the Social-Democratic student breaks with the revolutionaries and politically minded people of all other trends, this by no means implies the break-up of the general student and educational organisations. On the contrary, only on the basis of a perfectly definite programme can and should one work

among the widest student circles to broaden their academic outlook and to propagate scientific socialism, i.e., Marxism.

The Tasks of the Revolutionary Youth

V.I. Lenin

September 1903

Revolutionary culture is a powerful revolutionary weapon for the broad masses of the people. It prepares the ground ideologically before the revolution comes and is an important, indeed essential, fighting front in the general revolutionary front during the revolution.

On New Democracy

Mao Tse-Tung

January 1940

Excerpt from *More on the Differences Between Comrade Togliatti and Us*

Foreign Languages Press, Beijing, 1963
The Editorial Department of *Hongqi* (Red Flag)

CAN STATE-MONOPOLY CAPITAL BECOME “A MORE EFFECTIVE INSTRUMENT FOR OPPOSING MONOPOLISTIC DEVELOPMENT”?

Replying to the editorial in our paper *Renmin Ribao*, Comrade Luigi Longo, one of the chief leaders of the Communist Party of Italy, wrote in an article on January 4, 1963:

Our Tenth Congress has also forcefully reaffirmed that a firm point in what we call the Italian road to socialism is the recognition that already today, in the existing international and domestic situation, even when the capitalist regime continues to exist, it is possible and necessary to arrive at the liquidation of the monopolies and of their economic and political power.

These comrades maintain that by adopting the measures they have worked out it is possible to change the capitalist relations of production now existing in Italy and to change the “big property regime” of the Italian monopoly capitalists.

The economic measures of “structural reform” which have been worked out by Togliatti and other comrades are, in their own words, the realization of “the demand for a definite degree of nationalization, the demand for programming, the demand for state intervention to guarantee democratic economic development, and so on”;¹ and “the movement

¹ Togliatti’s speech at the April 1962 session of the Central Committee of the C.P.I.

which tends to increase direct state intervention in economic life, through programming, the nationalization of whole sectors of production, etc.”¹

Probably Togliatti and the other comrades will go on to devise still more measures of this sort.

Of course, they have the right to think and say what they like, and no one has the right to interfere, nor do we want to. However, since they want others to think and speak as they do, we cannot but continue the discussion of the questions they have raised.

Let us take first the question of state intervention in economic life.

Has not the state intervened in economic life ever since it came into being, no matter whether it was a state of slave-owners, of feudal lords or of the bourgeoisie? When these classes are in the ascendant, state intervention in economic life may take one form, and when they are on the decline, it may take another form. State intervention in economic life may also take different forms in different countries where the state power is the same in its class nature. Leaving aside the question of how the state of slave-owners or feudal lords intervenes in economic life, we shall discuss only the intervention of the bourgeois state in economic life.

Whether a bourgeois state pursues a policy of grabbing colonies or of contending for world supremacy, a policy of free trade or of protective tariffs, every such policy constitutes state intervention in economic life, which bourgeois states have long practised in order to protect the interests of their bourgeoisie. Such intervention has played an important role in the development of capitalism. State intervention in economic life is, therefore, not something new that has recently made its appearance in Italy.

But perhaps what Togliatti and the other comrades refer to by “state intervention in economic life” is not these

¹ “Theses for the Tenth Congress of the C.P.I.”

policies long practised by the bourgeoisie, but mainly the nationalization they are talking about.

Well then, let us talk about nationalization.

In reality, from slave society onward, different kinds of states have had different kinds of “nationalized sectors of the economy”. The state of slave-owners had its nationalized sector of the economy, and so had the state of feudal lords. The bourgeois state has had its nationalized sector of the economy ever since it came into being. Therefore, the question to be clarified is the nature of the nationalization in each case, and what class carries it out.

A veteran Communist like Comrade Togliatti is certainly not ignorant of what Engels said in his “Socialism: Utopian and Scientific”:

In any case, with trusts or without, the official representative of capitalist society — the state — will ultimately have to undertake the direction of production. This necessity for conversion into state property is felt first in the great institutions for intercourse and communication — the post office, the telegraphs, the railways.

To this statement, Engels added the following very important rider:

I say “have to”. For only when the means of production and distribution have actually outgrown the form of management by joint-stock companies, and when, therefore, the taking them over by the state has become economically inevitable, only then — even if it is the state of today that effects this — is there an economic advance, the attainment of another step preliminary to the taking over of all productive forces by society itself. But of late, since Bismarck went in for state ownership of industrial establishments, a kind of spurious socialism has arisen, degenerating, now and again, into something of flunkeyism, that

without more ado declares all state ownership, even of the Bismarckian sort, to be socialistic. Certainly, if the taking over by the state of the tobacco industry is socialistic, then Napoleon and Metternich must be numbered among the founders of socialism. If the Belgian state, for quite ordinary political and financial reasons, itself constructed its chief railway lines; if Bismarck, not under any economic compulsion, took over for the state the chief Prussian lines, simply to be the better able to have them in hand in case of war, to bring up the railway employees as voting cattle for the government, and especially to create for himself a new source of income independent of parliamentary votes — this was, in no sense, a socialistic measure, directly or indirectly, consciously or unconsciously. Otherwise, the Royal Maritime Company, the Royal porcelain manufacture, and even the regimental tailor shops of the Army would also be socialistic institutions, or even, as was seriously proposed by a sly dog in Frederick William III's reign, the taking over by the state of the brothels.¹

Engels then went on to emphasize the nature of so-called state ownership in capitalist countries. He said:

But the transformation, either into joint-stock companies and trusts, or into state ownership, does not do away with the capitalistic nature of the productive forces. In the joint-stock companies and trusts this is obvious. And the modern state, again, is only the organization that bourgeois society takes on in order to support the external conditions of the capitalist mode of production against the encroachments as well of the workers as of individual capitalists. The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the

¹ Marx and Engels, *Selected Works*, F.L.P.H., Moscow, 1958, Vol. II, pp. 147-48.

ideal personification of the total national capital. The more it proceeds to the taking over of productive forces, the more does it actually become the national capitalist, the more citizens does it exploit. The workers remain wage-workers — proletarians. The capitalist relation is not done away with. It is rather brought to a head. But, brought to a head, it topples over. State ownership of the productive forces is not the solution of the conflict, but concealed within it are the technical conditions that form the elements of that solution.¹

Engels wrote all this in the period when monopoly capital was first emerging and capitalism had begun to move from free competition to monopoly. Have his arguments lost their validity now that monopoly capital has assumed a completely dominating position? Can it be said that nationalization in the capitalist countries has now changed and even done away with “the capitalist nature of the productive forces”? Can it be said that state-monopoly capitalism, formed through capitalist nationalization or in other ways, is no longer capitalism? Or perhaps this can be said of Italy, though not of other countries?

Here, then, we have to go into the question of state-monopoly capitalism, and in Italy in particular.

Concentration of capital results in monopoly. From World War I onward, world capitalism has not only taken a step further towards monopoly in general, but also taken a step further away from monopoly in general to state monopoly. After World War I, and particularly after the economic crisis broke out in the capitalist world in 1929, state-monopoly capitalism further developed in all the imperialist countries. During World War II, the monopoly capitalists in the imperialist countries on both sides utilized state-monopoly capital to the fullest possible extent in order to make high profits out of the

¹ *Ibid.*, footnote.

war. And since the War, state-monopoly capital has actually become the more or less dominant force in economic life in some imperialist countries.

Compared with the other principal imperialist countries, the foundations of capitalism in Italy are relatively weak. From an early date, therefore, Italy embarked upon state capitalism for the purpose of concentrating the forces of capital so as to grab the highest profits, compete with international monopoly capital, expand her markets and redivide the colonies. In 1914, the *Consorzio per Sovvenzione su Valore Industria* was established by the Italian government to provide the big banks and industrial firms with loans and subsidies. There was a further integration of the state organs with monopoly capitalist organizations during Mussolini's fascist regime. In particular, during the great crisis of 1929-33, the Italian government bought up at pre-crisis prices large blocks of shares of many failing banks and other enterprises, brought many banks and enterprises under state control, and organized the *Istituto per la Ricostruzione Industriale*, thus forming a gigantic state-monopoly capitalist organization. After World War II, Italian monopoly capital, including state-monopoly capital, which had been the foundation of the fascist regime, was left intact and developed at still greater speed. At present, the enterprises run by state-monopoly capital or jointly by state and private monopoly capital constitute about 30 per cent of Italy's economy.

What conclusions should Marxist-Leninists draw from the development of state-monopoly capital? In Italy, can nationalized enterprise, i.e., state-monopoly capital, stand "in opposition to the monopolies",¹ can it be "the expression of the popular masses",² and can it become "a more effective

¹ *Ibid.*, pp. 148-49

² A. Pesenti: "Is It a Question of the Structure or of the Super-Structure?"

instrument for opposing monopolistic development”,¹ as stated by Togliatti and certain other comrades of the C.P.I.?

No Marxist-Leninist can possibly draw such conclusions.

State-monopoly capitalism is monopoly capitalism in which monopoly capital has merged with the political power of the state. Taking full advantage of state power, it accelerates the concentration and aggregation of capital, intensifies the exploitation of the working people, the devouring of small and medium enterprises, and the annexation of some monopoly capitalist groups by others, and strengthens monopoly capital for international competition and expansion. Under the cover of “state intervention in economic life” and “opposition to monopoly”, and using the name of the state to deceive, it cleverly transfers huge profits into the pockets of the monopoly groups by underhand methods.

The chief means by which state-monopoly capital serves the monopoly capitalists are as follows:

1. It uses the funds of the state treasury, and the taxes paid by the people, to protect the capitalists against risk to their investments, thus guaranteeing large profits to the monopoly groups.

For example, on all the bonds issued to raise funds for the Istituto per la Ricostruzione Industriale, the biggest state-monopoly organization of Italy, the state both pays interest and guarantees the principal. The bond-holders generally receive a high rate of interest, as high as 4.5 to 8 per cent per annum. In addition, they draw dividends when the enterprises make a profit.

2. Through legislation and the state budget a substantial proportion of the national income is redistributed in ways favourable to the monopoly capitalist organizations, ensuring that the various monopoly groups get huge profits.

¹ A. Pesenti: “Direct and Indirect Forms of State Intervention”

For example, in 1955 about one-third of the total state budget was allocated by the Italian government for purchasing and ordering goods from private monopoly groups.

3. Through the alternative forms of purchase and sale, the state on certain occasions takes over those enterprises which are losing money or going bankrupt or whose nationalization will benefit particular monopoly groups, and on other occasions sells to the private monopoly groups those enterprises which are profitable.

For example, according to statistics compiled by the Italian economist Gino Longo, between 1920 and 1955, successive Italian governments paid a total of 1,647,000 million lire (in terms of 1953 prices) to purchase the shares of failing banks and enterprises, a sum equal to more than 50 per cent of the total nominal capital in 1955 of all the Italian joint-stock companies with a capital of 50 million lire or more. On the other hand, from its establishment to 1958, the Istituto per la Ricostruzione Industriale alone sold back to private monopoly organizations shares in profitable enterprises amounting to a total value of 491,000 million lire (in terms of 1953 prices), according to incomplete statistics.

4. By making use of state authority, state-monopoly capital intensifies the concentration and aggregation of capital, and accelerates the annexation of small and medium enterprises by monopoly capital.

For example, from 1948 to 1958, the total nominal capital of the ten biggest monopoly groups, which control the life-lines of the Italian economy, multiplied 15 times. The Fiat Company multiplied its nominal capital 25 times and the Italcemento 40 times. Although the ten biggest companies in Italy constituted only 0.04 per cent of the total number of joint-stock companies, they directly held or controlled 64 per cent of the total private share-holding capital in Italy. During the same period, the number of small and medium enterprises which went bankrupt constantly increased.

5. Internationally, state-monopoly capital battles fiercely for markets, utilizing the name of the state and its diplomatic measures, and thus serves Italian monopoly capital as a useful tool for extending its neo-colonialist penetration.

For example, in the period of 1956-61 alone, the Ente Nazionale Idrocarburi obtained the right to explore and exploit oil resources, to sell oil or to build pipe-lines and refineries in the United Arab Republic, Iran, Libya Morocco, Tunisia, Ethiopia, Sudan, Jordan, India, Yugoslavia, Austria, Switzerland, etc. In this way, it has secured for the Italian monopoly capitalists a place in the world oil market.

The facts given above make it clear that state monopoly and private monopoly are in fact two mutually supporting forms used by the monopoly capitalists for the extraction of huge profits. The development of state-monopoly capital aggravates the inherent contradictions of the imperialist system and can never, as Togliatti and the other comrades assert, “limit and break up the power of the leading big monopoly groups”¹ or change the contradictions inherent in imperialism.

In Italy there is a view current among certain people that contemporary Italian capitalism is different from the capitalism of fifty years ago and has entered a “new stage”. They call contemporary Italian capitalism “neocapitalism”. They insist that under “neo-capitalism”, or in the “new stage” of capitalism, such fundamental Marxist-Leninist principles as those concerning class struggle, socialist revolution, seizure of state power by the proletariat and proletarian dictatorship are no longer of any use. In their view, this “neo-capitalism” can apparently perform the function of resolving the fundamental contradictions of capitalism within the capitalist system itself, by such means as “programming”, “technical progress”, “full employment” and the “welfare state”, and through “international alliance”. It was the Catholic movement and the social

¹ “Theses for the Tenth Congress of the C.P.I.”

reformists who first advocated and spread these theories in Italy. Actually, it was in these so-called theories that Togliatti and the other comrades found a new basis for their “theory of structural reform”.

Togliatti and the other comrades maintain that “the concepts of planning and programming the economy, considered at one time a socialist prerogative, are more and more extensively discussed and accepted today”.¹

It is Comrade Togliatti’s opinion (1) that there can be planned development of the national economy not only in socialist countries but also under capitalism, and (2) that the economic planning and programming characteristic of socialism can be accepted in capitalist Italy.

Marxist-Leninists have always held that the capitalist state finds it both possible and necessary to adopt policies which in some way regulate the national economy in the interests of the bourgeoisie as a whole. This idea is contained in the passages quoted above from Engels. In the era of monopoly capital, this regulatory function of the capitalist state mainly serves the interests of the monopoly capitalists. Although such regulation may sometimes sacrifice the interests of certain monopoly groups, it never harms, but on the contrary represents, the over-all interests of the monopoly capitalists.

Here is Lenin’s excellent exposition of this point. He said:

. . . the erroneous bourgeois reformist assertion that monopoly capitalism or state-monopoly capitalism is no longer capitalism, but can already be termed “state Socialism”, or something of that sort, is most widespread. The trusts, of course, never produced, do not now produce, and cannot produce complete planning. But however much they do plan, however much the capitalist magnates calculate in advance the volume of production on a national and even on an international scale, and however

¹ Togliatti’s report to the Tenth Congress of the C.P.I.

much they systematically regulate it, we still remain under capitalism — capitalism in its new stage, it is true, but still, undoubtedly, capitalism.¹

However, some comrades of the C.P.I. maintain that by carrying out “planning” in Italy under the rule of the monopoly capitalists, it is possible to solve the major problems posed by Italian history, including “the problems of the liberty and emancipation of the working class”.² How is this miracle possible?

Comrade Togliatti says, “State-monopoly capitalism, which is the modern aspect of the capitalist regime in almost all the big countries, is that stage — as Lenin has affirmed — beyond which, in order to go forward, there is no other way but socialism. But from this objective necessity it is necessary to make a conscious movement arise.”³

There is the well-known statement by Lenin that “capitalism, . . . advanced from capitalism to imperialism, from monopoly to state control. All this has brought the socialist revolution nearer and has created the objective conditions for it”.⁴ He also made similar statements elsewhere. Clearly, Lenin meant that the development of state-monopoly capitalism serves only to prove “the proximity . . . of the socialist revolution, and not at all as an argument in favour of tolerating the repudiation of such a revolution and the efforts to make capitalism look more attractive, an occupation in which all the reformists are engaged”.⁵ In talking about “structural

¹ Lenin, “The State and Revolution”, *Selected Works*, F.L.P.H., Moscow, 1951, Vol. II, Part 1, p. 269.

² “Theses for the Tenth Congress of the C.P.I.”

³ Togliatti’s report to the Tenth Congress of the C.P.I.

⁴ Lenin, “Report on the Current Situation Delivered at the April Conference of the R.S.D.L.P., May 7 (April 24), 1917”, *Selected Works*, International Publishers, New York, 1943, Vol. VI, p. 99.

⁵ Lenin, “The State and Revolution”, *Selected Works*, F.L.P.H., Moscow, 1951, Vol. II, Part 1, p. 269-70.

reform” and “conscious movement”, Comrade Togliatti is using ambiguous language exactly as the reformists do to evade the question of socialist revolution posed by Marxism-Leninism, and he is doing his best to make Italian capitalism look more attractive.

It is particularly necessary to emphasise the following. The war has caused such untold calamities to the belligerent countries and has at the same time accelerated the development of capitalism to such a tremendous degree, converting monopoly capitalism into state-monopoly capitalism, that *neither* the proletariat *nor* the revolutionary petty-bourgeois democrats *can* keep within the limits of capitalism.

*Postscript of The Agrarian Programme of Social-Democracy in the
First Russian Revolution, 1905-1907*
September 28, 1917

Excerpt from *Lenin on Imperialism, the Eve of the Proletarian Social Revolution*

Foreign Languages Press. Beijing, 1960
V.I. Lenin

**MONOPOLY IN GENERAL HAS EVOLVED INTO
STATE MONOPOLY**

World capitalism, which in the sixties and seventies of the last century was an advanced and progressive force of free competition, and which at the beginning of the twentieth century grew into *monopoly* capitalism, i.e., imperialism, took a big step *forward* during the war, not only towards greater concentration of finance capital, but also towards transformation into *state capitalism*.

A Turn in World Politics
January 31, 1917

On the other hand, opposed to this, mainly Anglo-French group, we have another group of capitalists, an even more rapacious, even more predatory one, a group who came to the capitalist banquet table when all the seats were occupied, but who introduced into the struggle new methods for developing capitalist production, improved techniques, and superior organisation, which turned the old capitalism, the capitalism of the free-competition age, into the capitalism of giant trusts, syndicates, and cartels. This group introduced the beginnings of state-controlled capitalist production, combining the colossal power of capitalism with the colossal power of the state into a single mechanism and bringing tens of millions of people within the single organisation of state capitalism.

The development of capitalism has made gigantic strides, particularly in the twentieth century, and the war has done more than had been done in twenty-five years. State control of industry has advanced not only in Germany, but also in England. Monopoly in general has evolved into state monopoly. Objective conditions show that the war has accelerated the development of capitalism, which advanced from capitalism to imperialism, from monopoly to state control. All this has brought the socialist revolution nearer and has created the objective conditions for it. Thus the course of the war has brought the socialist revolution nearer.

The Report on the Current Situation, Delivered at the Seventh (April) All-Russian Conference of the Russian Social-Democratic Labour Party (Bolsheviks)

April 24, 1917

STATE-MONOPOLY CAPITALISM IS A COMPLETE MATERIAL PREPARATION FOR SOCIALISM

The dialectics of history is such that the war, by extraordinarily expediting the transformation of monopoly capitalism into state-monopoly capitalism, has *thereby* extraordinarily advanced mankind towards socialism.

Imperialist war is the eve of socialist revolution. And this not only because the horrors of the war give rise to proletarian revolt—no revolt can bring about socialism unless the economic conditions for socialism are ripe—but because state-monopoly capitalism is a complete *material* preparation

for socialism, the *threshold* of socialism, a rung on the ladder of history between which and the rung called socialism *there are no intermediate rungs*.

The Impending Catastrophe and How to Combat It
September 10-14, 1917

To elucidate the question still more, let us first of all take the most concrete example of state capitalism. Everybody knows what this example is. It is Germany. Here we have “the last word” in modern large-scale capitalist technique and planned organization, subordinated to Junker-bourgeoisie imperialism. Cross out the words in italics, and, in place of the militarist, Junker-bourgeois imperialist state, put a state, but of a different social type, of a different class content – a Soviet, that is, a proletarian state, and you will have the sum total of the conditions necessary for Socialism.

The Food Tax
April 21, 1921

STATE-MONOPOLY CAPITALISM IS STILL UNDOUBTABLY CAPITALISM. THE REFORMISTS CALL IT SOCAILISM FOR THE PURPOSE OF REPUDIATING THE SOCIALIST REVOLUTION

Here we have what is most essential in the theoretical appraisal of the latest phase of capitalism, i.e., imperialism, viz., that capitalism becomes monopoly capitalism. The latter must be emphasized because the erroneous bourgeois reformist assertion that monopoly capitalism or state-monopoly capitalism is *no longer* capitalism, but can already be termed “state Socialism,” or something of that sort, is most widespread. The trusts, of course, never produced, do not now

produce, and cannot produce complete planning. But however much they do plan, however much the capitalist magnates calculate in advance the volume of production on a national and even on an international scale, and however much they systematically regulate it, we still remain under *capitalism* – capitalism in its new stage, it is true, but still, undoubtedly, capitalism. The “proximity” of *such* capitalism to Socialism should serve the genuine representatives of the proletariat as an argument proving the proximity, facility, feasibility and urgency of the socialist revolution, and not at all as an argument in favour of tolerating the repudiation of such a revolution and the efforts to make capitalism look more attractive, an occupation in which all the reformists are engaged.

The State and Revolution
August-September 1917

No political party can possibly lead a great revolutionary movement to victory unless it possesses revolutionary theory and a knowledge of history and has a profound grasp of the practical movement.

The Role of the Chinese Communist Party in the National War
Mao Tse-tung
October 1938

Imperialism’s economic relations constitute the core of the entire international situation as it now exists. Throughout the twentieth century, this new, highest and final stage of capitalism has fully taken shape.

*Report on the International Situation and the Fundamental Tasks
of the Communist International*

V.I. Lenin

July 19, 1920

The correctness or otherwise of the ideological and political
line decides everything.

*Talks with Responsible Comrades at Various Places During Pro-
vincial Tour*

Mao Tse-tung

August 1971

Outline For the Study of Bureaucrat-Capitalism

The U.S. imperialists and their running dogs – the bureaucrat-capitalists, the landlords and the Kuomintang reactionaries who represented these two classes – were the enemies of the people.

Mao Tse-tung

- I. Approaching the question.
 - a. Capital and capitalism.
 - b. Monopoly capital and Imperialism.
 - c. State-monopoly capitalism.
 - d. State monopoly capitalism with a comprador and feudal character: bureaucrat-capitalism.
- II. In the Thought of José Carlos Mariátegui.
 - a. Semi-colonialism, economic condition of our society and our economic structure.
 - b. Outline of the economic evolution.
- III. Current situation.
 - a. Impulse of the country's development along a total bureaucratic line under the current fascist regime.
 - b. The line of development of bureaucrat-capitalism.
 - i. Landlord line: in agriculture.
 - ii. Bureaucratic line: in industry, commerce, and finances.
 - iii. Bureaucratic line: in ideology.

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